
UTILYX LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010



UTILYX LTD

COMPANY INFORMATION

DIRECTORS	C S Bowden - Chief Executive Officer A H Shrager - Chairman, Non-executive P R Ibbetson - Non-executive P A Rushing - Non-executive
COMPANY NUMBER	3922833
REGISTERED OFFICE	35 Ballards Lane London N3 1XW
AUDITORS	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

UTILYX LTD

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 17

UTILYX LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010

The directors present their report and the financial statements for the year ended 31 May 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

UtiLyx is a leading energy and climate change advisory and transaction management firm. It provides a wide range of services to a large and diversified client base that includes corporations, government bodies, developers and investors.

BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size of our business and is written in the context of the risks and uncertainties we face.

The fiscal year ending 31 May 2010 proved to be a period of stabilisation where the business saw decent revenue growth of 10% with turnover rising from £6.3 million to £6.9 million. The management team focused on improving productivity within the business and the directors are pleased to report that this translated into an increase in pre-tax profit of 69% from £702k in 2009 to £1.189 million in 2010.

Revenue growth from the last year was based on solid performance in all areas with targeted "up-selling" of additional products to existing customers being particularly strong this year. We also saw growth in our performance fees which validates the value we generate for our customers. Risk Management Services continues to be our most significant product line representing just over half the company's total revenues.

We consider EBITDA (earnings before interest, tax, depreciation and amortisation and share based incentive schemes) to be a key performance indicator for the business. Because of the combination of revenue growth and productivity improvements, EBITDA has increased 68% this year (from £917k in 2009 to £1.544 million in 2010). We are also pleased with the improvement in our cash position.

UTILYX LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2010**

RESULTS

The profit for the year, after taxation, amounted to £1,056,919 (2009 - £596,053)

DIRECTORS

The directors who served during the year were

C S Bowden - Chief Executive Officer
A H Shrager - Chairman, Non-executive
P R Ibbetson - Non-executive
P A Rushing - Non-executive

PROVISION OF INFORMATION TO AUDITORS

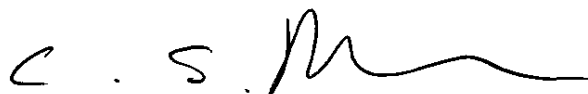
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

Under section 487 of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on ^{DECEMBER} 4 ~~November~~ 2010 and signed on its behalf



C S Bowden - Chief Executive Officer
Director

UTILYX LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UTILYX LTD

We have audited the financial statements of Utilyx Ltd for the year ended 31 May 2010, set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

UTILYX LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UTILYX LTD

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Landau FCA (Senior Statutory Auditor)

for and on behalf of

BERG KAPROW LEWIS LLP

Chartered Accountants
Statutory Auditor

London

Date 23 December 2010

UTILYX LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2010**

	Note	2010 £	2009 £
TURNOVER	1,2	6,949,569	6,275,235
Cost of sales		(314,313)	(379,674)
GROSS PROFIT		6,635,256	5,895,561
Administrative expenses		(5,450,724)	(5,136,478)
OPERATING PROFIT	3	1,184,532	759,083
Interest receivable and similar income		13,111	1,223
Interest payable and similar charges	8	(9,023)	(58,046)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,188,620	702,260
Tax on profit on ordinary activities	9	(131,701)	(106,207)
PROFIT FOR THE FINANCIAL YEAR		1,056,919	596,053

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account

The notes on pages 7 to 17 form part of these financial statements

UTILYX LTD
REGISTERED NUMBER: 3922833

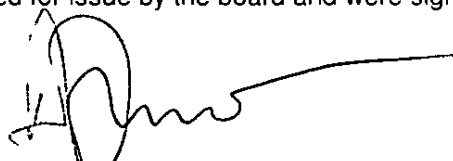
BALANCE SHEET
AS AT 31 MAY 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	10		61,234		146,352
CURRENT ASSETS					
Debtors amounts falling due after more than one year	11	695,265		810,753	
Debtors amounts falling due within one year	11	3,201,372		3,066,200	
Cash at bank and in hand		390,448		1,830	
		<u>4,287,085</u>		<u>3,878,783</u>	
CREDITORS: amounts falling due within one year	12	<u>(1,507,126)</u>		<u>(2,371,451)</u>	
NET CURRENT ASSETS			<u>2,779,959</u>		<u>1,507,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,841,193</u>		<u>1,653,684</u>
CREDITORS: amounts falling due after more than one year	13		<u>(37,316)</u>		<u>(177,941)</u>
NET ASSETS			<u><u>2,803,877</u></u>		<u><u>1,475,743</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		21,100		21,100
Share premium account	16		4,301,894		4,301,894
Profit and loss account	16		<u>(1,519,117)</u>		<u>(2,847,251)</u>
SHAREHOLDERS' FUNDS	17		<u><u>2,803,877</u></u>		<u><u>1,475,743</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4/12/10



C S Bowden - Chief Executive Officer
Director



A H Shrager - Chairman, Non-executive
Director

The notes on pages 7 to 17 form part of these financial statements

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 TURNOVER AND REVENUE RECOGNITION

Turnover comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax

For fixed price fixed term energy supply contracts, the company recognises revenue by reference to the commencement of the underlying energy supply contract. Fees are generated on an annual basis but the underlying energy supply contracts may be for any period from a few months up to several years

For energy supply contracts of one year or less, the full fee generated from the transaction is recognised as revenue in the year in which the contract commences but, for multiple year contracts, revenue is recognised on an annual basis on the anniversary of the contract commencement date

For energy supply contracts where Utilyx has an ongoing responsibility buying energy for clients in the open market, revenue is recognised evenly over the estimated period that Utilyx will undertake this service, subject to an initial proportion of the fee being taken at the outset to recognise the consultancy services provided at the start of contracts of this nature. This initial proportion is recognised as soon as the consultancy services to which it relates are substantially complete. The balance of the income of the contract is recognised evenly over the period when Utilyx manage the exposure

For certain contracts with electricity generators, Utilyx takes responsibility for finding a buyer for the electricity in advance. Utilyx receives a fixed fee and/or a share of future revenue from the supply of that electricity. Revenue is recognised when Utilyx has both found a buyer and also obtained agreement from the electricity generator. This revenue is initially estimated, but is revised in later years as necessary. The future revenue is discounted where relevant. Any change during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate is charged to the profit and loss account as interest receivable

Any performance related fees are recognised when they are certain

Fees for consultancy and similar work are recognised when the work is performed

1.3 DEVELOPMENT COSTS

Development expenditure is written off to the profit and loss account in the year in which it is incurred

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

1. ACCOUNTING POLICIES (continued)

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	straight line over the life of the lease
Plant and machinery	-	straight line over 3 years
Fixtures and fittings	-	straight line over 3 years

1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

1. ACCOUNTING POLICIES (continued)

1.8 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.9 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.10 SHARE INCENTIVE SCHEMES

The company operates several equity-settled, share-based compensation schemes. The fair value of the employee services received in exchange for the grant of the options in the ultimate parent undertaking, Utilyx Holdings Limited, is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance sheet date, a revised estimate is made of the number of options that are expected to become exercisable. If the revised estimate differs from the original estimate, the charge to the profit and loss account is adjusted over the remaining vesting period of the options.

2. TURNOVER

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	55,479	96,494
- held under finance leases	31,558	14,323
Operating lease rentals		
- other operating leases	151,641	138,129
Difference on foreign exchange	(1,268)	7,240
Share option costs arising under FRS 20	271,215	24,194

UTILYX LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

4 AUDITORS' REMUNERATION

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	16,000	19,000
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company pursuant to legislation	6,000	7,000
Other services relating to taxation	8,000	10,000
All other services	9,349	52,096
	<u> </u>	<u> </u>

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries (including share based payments)	3,239,958	2,977,067
Social security costs	346,767	326,792
Other pension costs	85,469	84,821
	<u>3,672,194</u>	<u>3,388,680</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No
Directors (excluding non-executive directors but including directors of the ultimate holding company who are remunerated by Utiylx Ltd)	2	2
Management and administration	57	52
	<u>59</u>	<u>54</u>

6. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	242,673	356,826
	<u> </u>	<u> </u>

The highest paid director received remuneration of £207,673 (2009 - £291,818)

During the year, three directors participated in the employee and management share option plans (note 7)

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

7. SHARE-BASED PAYMENTS

During the year the ultimate parent had share option plans in place to which FRS 20 (share-based payments) is applicable. The charge is treated as an expense in this company's figures as the relevant option holders are employees of this company.

The estimated fair value was calculated by applying a binomial model. The key inputs to this model were:

- share price at date of grant £2.50 to £3.00 (dependent on date of grant),
- expected volatility of 10% to 15% (different estimates being used for options issued in different years),
- no expected dividends,
- a risk free interest rate equal to the yield on a zero coupon government security at grant date.

To allow for the effects of early exercise, it was assumed that the employees would exercise the options after vesting date when the share price was twice the exercise price.

The charge for the year was £271,216 (2009: £24,194).

Full details of options extant at the year end can be seen in the financial statements of the ultimate parent.

8. INTEREST PAYABLE

	2010 £	2009 £
On bank loans and overdrafts	-	38,344
On other loans	52	7,500
On finance leases and hire purchase contracts	8,971	12,202
	<u>9,023</u>	<u>58,046</u>

9. TAXATION

	2010 £	2009 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	2,701	207
DEFERRED TAX		
Origination and reversal of timing differences	173,000	201,000
Decrease in discount	(44,000)	(95,000)
TOTAL DEFERRED TAX (see note 14)	<u>129,000</u>	<u>106,000</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>131,701</u>	<u>106,207</u>

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010

9. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2009 - *lower than*) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	1,188,620	702,260
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28)	332,814	196,633
EFFECTS OF.		
Expenses not deductible for tax purposes	88,175	16,687
Depreciation for year in excess of capital allowances	12,253	9,033
Utilisation of tax losses	(186,729)	(211,070)
Allowable cost arising from share option exercises	(244,277)	(9,716)
Other short term timing differences	1,365	(1,292)
Other adjustments	(900)	(68)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	2,701	207

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The discounted future value of the tax losses and other timing differences is shown in note 14

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
COST				
At 1 June 2009	126,320	655,433	116,300	898,053
Additions	-	3,374	-	3,374
Disposals	-	(217,776)	-	(217,776)
At 31 May 2010	126,320	441,031	116,300	683,651
DEPRECIATION				
At 1 June 2009	126,320	534,109	91,272	751,701
Charge for the year	-	69,861	17,176	87,037
On disposals	-	(216,321)	-	(216,321)
At 31 May 2010	126,320	387,649	108,448	622,417
NET BOOK VALUE				
At 31 May 2010	-	53,382	7,852	61,234
At 31 May 2009	-	121,324	25,028	146,352

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £	2009 £
Plant and machinery	39,465	69,534

UTILYX LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

11. DEBTORS

	2010 £	2009 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	164,697	131,900
Prepayments and accrued income	530,568	422,853
	-	256,000
	<u>695,265</u>	<u>810,753</u>
	2010 £	2009 £
DUE WITHIN ONE YEAR		
Trade debtors	1,050,061	1,170,011
Amounts owed by group undertakings	101,232	179,646
Other debtors	10,128	159
Prepayments and accrued income	1,663,951	1,467,384
Deferred tax asset (see note 14)	376,000	249,000
	<u>3,201,372</u>	<u>3,066,200</u>

**12. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Bank loans and overdrafts	-	789,594
Net obligations under finance leases and hire purchase contracts	30,946	32,876
Trade creditors	359,541	310,705
Amounts owed to group undertakings	38,656	51,814
Corporation tax	15,761	6,457
Social security and other taxes	333,980	277,030
Other creditors	57,176	52,302
Accruals and deferred income	671,066	850,673
	<u>1,507,126</u>	<u>2,371,451</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned

UTILYX LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

**13. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £	2009 £
Net obligations under finance leases and hire purchase contracts	8,670	39,950
Accruals and deferred income	28,646	137,991
	<u>37,316</u>	<u>177,941</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2010 £	2009 £
Between one and five years	<u>8,670</u>	<u>39,950</u>

14. DEFERRED TAX ASSET

	2010 £	2009 £
At beginning of year	505,000	611,000
(Decrease)/increase during the year	(129,000)	(106,000)
At end of year	<u>376,000</u>	<u>505,000</u>

The deferred tax asset is made up as follows

	2010 £	2009 £
Accelerated capital allowances	29,000	17,000
Tax losses carried forward	380,000	566,000
Short term timing differences	2,000	1,000
Undiscounted provision for deferred tax	<u>411,000</u>	<u>584,000</u>
Discount	(35,000)	(79,000)
Discounted provision for deferred tax	<u>376,000</u>	<u>505,000</u>

15. SHARE CAPITAL

	2010 £	2009 £
ALLOTTED, CALLED UP AND FULLY PAID		
2,109,961 Ordinary shares of 1p each	<u>21,100</u>	<u>21,100</u>

UTILYX LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010**

16. RESERVES

	Share premium account £	Profit and loss account £
At 1 June 2009	4,301,894	(2,847,251)
Profit for the year		1,056,919
Share based payments		271,215
	<u>4,301,894</u>	<u>(1,519,117)</u>
At 31 May 2010		

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	1,475,743	855,496
Profit for the year	1,056,919	596,053
Share based payments	271,215	24,194
	<u>2,803,877</u>	<u>1,475,743</u>
Closing shareholders' funds		

18. CONTINGENT LIABILITIES

The company has entered into leases under which it is liable to pay for dilapidations to the premises on their vacation. The directors are not able to reliably estimate any future liability arising for this, so have not provided for it in the financial statements.

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company and amounted to £85,469 (2009 £84,821). Contributions totaling £8,070 (2009 £3,195) were payable to the fund at the year end and are included in creditors.

20. OPERATING LEASE COMMITMENTS

At 31 May 2010 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2010 £	2009 £
EXPIRY DATE:		
Between 2 and 5 years	<u>130,560</u>	<u>140,520</u>

UTILYX LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

21. TRANSACTIONS WITH DIRECTORS

C S Bowden had an unsecured loan from the company during the year. The opening balance was £30,000 (2009 £33,536), the closing balance was £35,372 (2009 £30,000), and the maximum outstanding during the year was £35,372 (2009 £48,000). The interest charged on the loan was 7.5% p.a. up to 31 December 2008, and LIBOR plus 3% p.a. after that date. It is repayable on 31 December 2011 or, if earlier, on the termination of office or on the change of control of the company.

In addition to the above loan, C S Bowden also had an interest free short term bridging loan of £19,307 on the balance sheet date (2009 £nil). The highest balance in the year was £19,307 (2009 £nil).

C S Bowden and J S Stokes (a director of Utilyx Holdings Ltd, the ultimate parent undertaking) have given a joint personal guarantee of £150,000 to Bank of Ireland in respect of corporate facilities.

In addition, C S Bowden has provided as security to the bank an assignment of a life policy in the sum of £500,000.

22. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from the requirement to disclose transactions with group undertakings on the grounds that consolidated financial statements are prepared by Utilyx Holdings Ltd, the ultimate parent undertaking.

Fees of £20,000 were payable to F Hervé for his services as a non-executive director of Utilyx Holdings Ltd (2009 £20,000).

Included within other debtors due after more than one year is £26,558 due from J S Stokes, a director of Utilyx Holdings Ltd (2009 £25,000).

Included within other debtors due within one year is an advance of £6,957 due from H Protopapas Biggart, a director of Utilyx Holdings Ltd (2009 £nil). It is being paid in monthly instalments with the final instalment due on 30 November 2010.

Included within creditors are the following amounts:

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Utilyx Broking Ltd, a company registered in England and Wales.

The ultimate parent undertaking is Utilyx Holdings Limited, a company registered in England and Wales. Utilyx Holdings Limited prepares group financial statements and copies can be obtained from the Registered Office at 35 Ballards Lane, London, N3 1XW.