

UTILITYWISE PLC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013



Company Registration Number 05849580

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Company Information

Directors

G Thompson
G A Thompson
A Richardson
R Feigen
P Hailes
T Maxfield
M Dent
S Butterfield

Secretary

A Richardson

Registered office and principal place of business

Utilitywise House
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South Shields
Newcastle Upon Tyne
Tyne and Wear
NE33 1JA

Registered number

05849580

Statutory auditors

BDO LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5RU

Bankers

Lloyds TSB Plc
54 Fawcett Street
Sunderland
Tyne and Wear
SR1 1SF

Nominated advisor and broker

finnCap Ltd
60 New Broad Street
London
EC2M 1JJ

Chairman's Statement

I am delighted to be able to report on a very successful year for the Company, the first full year as a plc following its listing on AIM in June 2012

Utilitywise has made considerable progress during the year under review and importantly has delivered against each of the key objectives that it set out at the time of its IPO. Additional headcount has been added at the Head Office in South Shields which has driven an impressive 59% increase in like for like revenue growth. 471 people are now employed at the Head Office, making Utilitywise one of the largest private sector employers in the region, a fact of which we are rightly proud. Adjusted profit before tax has improved by 78% to £7.4 million and adjusted earnings per share increased by 49% over the prior year to 8.5p. We are pleased to propose a final dividend payment of 1.8p making a total payment for the year of 2.6p per share.

The Group made three acquisitions during the period, namely Clouds Environmental Consultancy Ltd, Aqua Veritas Consulting Ltd and most recently Energy Information Centre Ltd (EIC). The acquisitions bring different products and services, expertise and market reach to Utilitywise, enabling us to provide a wider range of support and advice to companies of all sizes to meet their ongoing energy requirements. Companies have a responsibility to shareholders not only to take advantage of short term opportunities but also to position themselves for future success. These additions to the Group are evidence of the progress being made in that respect and the Board will continue to assess opportunities that could further enhance our position in this highly fragmented market.

Michael Dent and Simon Butterfield joined the Board of Directors during the course of the year and it has been a pleasure to work with them and benefit from their operational knowledge. I am also pleased that Jeremy Middleton and Jon Kempster have agreed to join the Board as Non-Executive Directors. They have distinguished records in public companies and I have no doubt that the Group will benefit from their experiences and wisdom. These additions align us with best practice corporate governance, a duty that the Board takes seriously.

To fund the EIC acquisition and in order to satisfy institutional demand, £22.2m of new and existing shares were placed with institutional investors in July of this year and I would like to take this opportunity to welcome new investors and to thank existing shareholders for their continued strong support. Utilitywise listed on AIM in order to fund organic growth, invest further in products and services and to enable appropriate acquisitions and these results clearly demonstrate the benefits that can accrue to a company and its shareholders from a successful use of the public markets.

Energy procurement and management is becoming increasingly important for all businesses. With Utilitywise's broad array of products and services, its expertise at advising companies of all sizes and its dedication to providing the very best solutions to meet clients' needs, I remain confident that the Group is well placed to succeed in the short, medium and long term.

Richard Feigen



CEO Statement

I am pleased to report that Utilitywise continues to make great progress and has enjoyed a very fruitful year, its first full year as a plc following the successful listing on AIM in June 2012

Business Model

Utilitywise specialises in energy procurement and energy management services for businesses. The Company negotiates rates with energy suppliers on behalf of business customers, provides an account care service and offers a range of products and services designed to assist customers manage their energy consumption. Customers are based throughout the UK and the Republic of Ireland across a variety of industry sectors and the public sector, and range in size from small single site customers to large multi-site customers.

The business has two major focuses of activity

Energy procurement

The Company has two main routes to market for the delivery of procurement services. Firstly, the Company has energy consultants who contact prospective customers identified by the Company's bespoke IT search system to offer a potentially reduced energy tariff and various energy management products and services designed to assist in identifying ways to reduce that customer's overall energy consumption. Secondly, the Company operates a "partner channel" where organisations refer customers to Utilitywise and commissions generated from those customers are shared between Utilitywise and the referring organisation.

Energy management

These products and services are designed to assist customers to manage their energy consumption, they also generate additional revenues for Utilitywise. The energy management products and services include

- Account care
- Energy health check
- Energy audit
- Ecofit
- Edde energy monitor
- Utility insight
- Smart meters
- Carbon zero

The Group has continued to develop in both of these areas. Since the listing on AIM the Directors have concentrated on ensuring that the energy procurement business has grown in line with targets and the revenues relating to this activity contribute to more than 90% of the Group's revenue.

Energy management services have experienced growth in the period following the successful acquisitions of energy management businesses towards the end of the year.

Following integration of all three newly acquired businesses the Directors are currently reviewing all of the operational structures and the management information that is available to them

For these reasons, the Directors consider that there is one operating segment in place for the year. More focus will be made on providing both energy procurement and energy management services to the full customer portfolio in the future and the Directors expect to provide further analysis of the activities in the next reporting period as the reporting systems are updated and the Group develops.

The Directors believe that the UK market fragmentation, the low penetration of third party intermediaries (TPIs) in the UK commercial market and the Company's current share of the total potential market, means that there is an opportunity to increase the Company's market share through organic growth and acquisitions.

The Directors further believe that a forecast increase in energy prices will lead to increasing demand from customers for advice on energy management issues and that this demand creates the opportunity for the Company to continue with its recent organic growth.

In addition to the Company's aim to grow its market share of SME customers, the Directors believe that there is an opportunity to capitalise on the Company's established relationships with energy suppliers who are showing an interest in some of the Company's energy management products and services for sale into the supplier's customer base.

Results

The Group has developed in all areas of its operations and delivered a 59% increase in like for like revenue growth, largely driven by increased headcount in line with our stated strategy. We are also pleased to have made three acquisitions during the year with each one of them bringing in new skill and product sets, different areas of expertise and well trained, enthusiastic, committed people. Including the contributions from the acquired businesses, total revenue for the year increased by 72% to £25.3 million (2012: £14.7 million) which is particularly impressive given that two of those acquisitions were only part of the Group for three months and one month respectively. Gross margin also improved to 48% (2012: 44%), resulting in a 78% increase in adjusted profit before tax of £7.4 million (2012: £4.2 million). The Board is recommending a final dividend payment of 1.8p per share, making a total dividend for the year of 2.6p.

These results demonstrate the momentum we have established, as we continue to grow headcount to support organic growth and successfully integrate our recent acquisitions, but more fundamentally continue to show the strength of our proposition, the hard work of our people and most importantly the value we add to our customers.

Customer Growth

Our core energy intermediary offering to commercial customers has continued to scale throughout this reporting period as evidenced by the volume of new customers we contracted in 2013. As at our IPO in June we had over 10,000 contracted customers and this grew to over 11,400 customers and over 32,972 meters by September 2012. On a like for like basis this now stands at 15,333 customers and 44,361 meters as at the year end, with EIC adding a further 550 customers and 23,000 meters.

This has been principally driven by the increased energy consultant headcount to 281 at 31 July 2013, up from 181 at the previous year end. Given the sophistication of our leading software based analysis tools, headcount remains the greatest driver of our core offering in order to convert the vast number of opportunities identified. As such, we will continue to add further to our staffing levels over the course of the current year. The success of this approach can be further seen through the level of contracts waiting to go live, one of our key forward looking metrics, which was £16.6 million at 31 July 2013, compared with £7.1 million at the prior year end. This has increased further to £18.2 million as at 30 September 2013.

Proprietary Systems and Solutions

Investment has continued in the Group's IT systems and processes to support further growth and this has included the development of Darwin, our core CRM solution, which will result in the launch of improved functionality in the first quarter of 2014. In addition the Group has developed the system to support our presence in the French market.

Our acquisitions have allowed us to invest further in Energy Services with improvements to our Edd e sub-metering solution that is now fully integrated to our multi-utility reporting platform – Utility Insight.

In addition, the Group has continued the development and testing of its own voltage optimisation product which has been designed to deliver value to customers at a competitive price and with functionality not available elsewhere.

Acquisitions

During the year under review Utilitywise added three exciting businesses to the Group, in line with our stated strategy at the time of the IPO. Each of these added new expertise to the Group and helped us to add and develop different product sets to meet our clients' wider energy needs.

Clouds Environmental Consultancy Ltd, based in Portsmouth, was acquired in October 2012 for a maximum consideration of £985,000 plus a working capital adjustment of £55,821. Its range of products and services complemented and extended our own offering, including energy auditing, energy efficiency advice, air conditioning inspections, building assessments, energy awareness programmes, as well as carbon compliance services, to a commercial customer base. The Clouds Environmental Consultancy team has also added further technical expertise and helped develop our proprietary software tools to add even more functionality.

Aqua Veritas Consulting Ltd joined the Group in April this year for a consideration which will be capped at £4 million dependent on meeting certain EBITDA targets as at April 2014. The business added its water consultancy services to our portfolio and therefore offers an additional focus to our existing product suite. Aqua Veritas has developed the OBox AMR metering solution that feeds data into our Utility Insight multi-utility reporting platform. This system has achieved early success and has recently been installed in over 500 locations for a UK top four supermarket brand as well as an initial roll out with a further FTSE 100 company.

Our latest, and largest acquisition to date, was the addition of Energy Information Centre Limited (EIC), completed in early July for a total equity consideration of £15.5 million and a working capital adjustment of £2,701,154. EIC's strength lies within the larger enterprise, industrial & commercial market, complementing Utilitywise's leading position in the SME market. Importantly, EIC also provides additional capabilities including providing market intelligence, fixed and flexible procurement, individual and portfolio risk management, data and bureau solutions, carbon compliance services, as well as water management, to a customer base of major energy users.

I am pleased to report that each of the businesses is integrating well. As a result, Utilitywise has a much broader offering and expertise in providing the right products for any company's wider energy needs, be they large or small. We have also increased our geographical reach, with locations in Portsmouth, Leicester, Redditch and Bury St Edmunds as well as our Head Office in South Shields, enabling us to service clients in any part of the UK more easily.

The Group remains alert to further opportunities in this highly fragmented market which could bring additional products, services or expertise to our existing capability. With the strengthened Board of Directors we have a deeper expertise in M&A activity and our Chairman in particular will continue to work closely with the Executive team to assess the viability of potential targets and the benefits that they could bring to the Group.

Outlook

The Directors' believe that the UK market fragmentation, the low penetration of third party intermediaries (TPIs) in the UK commercial market and the Group's current share of the total potential market, means that there is an opportunity to increase the Group's market share through organic growth and acquisitions.

The Directors' further believe that a forecast increase in energy prices will lead to increasing demand from customers for advice on energy management issues and that this demand creates the opportunity for the Group to continue with its recent organic growth.

Our relationships with the UK energy supply companies remains strong and we enjoy an enviable position as a partner they can rely upon to deliver customer volume and an innovative approach to solving the business customer's energy management needs. We believe that there is further opportunity for growth through these suppliers, some of whom are showing an interest in some of the Group's energy management products and services for sale into the supplier's customer base.

The new financial year has started in line with expectations with the value of secured contracts waiting to go live increasing to £18.2 million at 30 September compared to £16.6 million at 31 July. We look forward to another period of strong growth.

Geoff Thompson

A handwritten signature in black ink, appearing to be 'Geoff Thompson', written in a cursive style.

CFO Statement Results for the year

The Group has continued its strong growth throughout 2013 and has produced some outstanding increases across revenue, gross profit EBITDA and PBT both through acquisition and continued very strong organic growth

Financial Highlights

	2013	2012 (Restated)	
	(£000's)	(£000's)	% change
Revenue	25,256	14,693	+72
Gross profit	12,137	6,513	+86
Gross margin	48.1%	44.3%	+3.8 ppts
EBITDA*	7,817	4,434	+76
Profit Before Tax**	7,411	4,170	+78
Diluted earnings per share [#]	8.5p	5.7p	+49

*Excluding exceptional items relating to acquisition costs of £0.8 million, (2012 £0.4m) and share based payment expenses of £0.2 million (2012 £Nil)

** As above, but excluding amortisation relating to acquired intangibles of £0.2 million (2012 £Nil)

[#] As above, but including the tax impact of the above adjustments

EBITDA is defined as profit from operations plus depreciation and amortisation. Exceptional items relate to costs associated with the acquisitions of Clouds Environmental Consultancy, Aqua Veritas Consulting and Energy Information Centre transacted during the period.

Key Performance Indicators

Some of the key performance indicators used by the Directors are as follows:

KPI	2013	2012	% change
Energy consultants at 31 July	281	181	+55
Contracts secured	27,794	20,013	+39
Future secured revenue	£16.6 million	£7.1 million	+134

The Group continues to perform well against its core objectives of securing new contracts and increasing revenue through organic growth. What is particularly pleasing is the growth in future secured revenue which represents the visible revenue streams the group has secured but which is not yet recognised in the financial statements.

In 2013, the group generated revenue of £25.3 million, an increase of 72% over 2012 with a like for like increase of 59% (excluding performance from acquired companies). The metric that underpins revenue is the value of contracts going live which, at £25.8 million were 52% higher than the previous year. Energy consultant head count increased from 181 as at July 2012 to 281 at the end of July 2013. It is this expansion that drives the growth of the business. This increase in consultant head count is also reflected in the value of secured contracts awaiting go live standing at £16.6 million, an increase of 134% on 31 July 2012.

The gross margin has increased to a very healthy 48%, four points up on the prior year, as the new energy consultants recruited in the first six months reached full sales maturity. We anticipate the long term trend for gross margin performance to level out at circa 45% in the core business. The three acquisitions completed during the year made positive contributions. Clouds Environmental Consultancy strengthened our proposition and improved sales in the technical audit arena and both Aqua Veritas Consulting and Energy Information Centre contributed revenue and profit in the last month of the financial year.

Administrative expenses at £5.19 million, excluding exceptional items relating to acquisition costs, were up 115% on the prior year as full years costs of the new building were expended in the year and the additional expenses related to acquisitions were absorbed.

Adjusted EBITDA at £7.8 million represents a 76% increase on 2012 (46% like for like increase) and an adjusted profit before tax at £7.4 million represents a 78% increase on 2012 (51% like for like increase).

Cash and Borrowings

As at the 31 July 2013 the group had net cash balances of £4.0 million with the group continuing to generate cash throughout the year under review, with £2.9 million cash generated from operations. Net cash balances represent cash and cash equivalents less loans and borrowings. Net of cash acquired the group utilised £9.0 million in the acquisition of subsidiaries.

Balance Sheet

The Group's non-current assets at the 31 July 2013 include £13.7 million relating to goodwill and £7 million relating to intangible assets with movements in the period resulting from the acquisitions of Clouds Environmental Consultancy, Aqua Veritas Consulting and Energy Information Centre. Non-current assets also include a balance of £7.3 million relating to accrued revenue with £4.6 million held as deferred revenue in non-current liabilities representing cash received from suppliers in advance of go live resulting in an effective net asset of £2.7 million.

A similar position exists in current assets where accrued revenue of £4.2 million and advance receipts of £2.4 million lead to an effective net asset of £1.8 million. Trade receivables at £3.8 million have increased in line with trading and the expanded debtor book associated with the acquisitions whilst inventories have remained relatively constant. Trade and other payables include £2.3 million associated with contingent consideration relating to the three acquisitions in the period.

During the audit of the results for the year ended 31 July 2013, the Board re-assessed the discount rate used when fair valuing revenues. After discussions with the Company's auditors and review of the application of International Accounting Standard 18 the Board has concluded that a prior period adjustment is required. Following the review the Company has reduced the discount rate applied to revenues from 9% to 3% in order to more accurately reflect the risk of trading with blue-chip energy companies. As such an appropriate adjustment of £310,181 has been made to increase the accrued revenue balance for the period ending 31 July 2012, which has also resulted in an equivalent increase in revenue in the period. Further information is provided in note 17.

Dividend policy and dividend

The Board is proposing a final dividend of 1.8p per share subject to the approval of the shareholders at the Annual General Meeting. The dividend per share will be paid on 13 December 2013 to shareholders on the register at close of business on 29 November 2013.

Andrew Richardson



Directors' Report

The directors submit their annual report on the affairs of the Group together with the financial statements and Auditors report for the year ended 31 July 2013

Principle Activity

The principal activity of the Group in the year under review was that of an intermediary for energy supplies to the commercial market

Review of the business

The Group is required by section 417 of the Companies Act to set out in this report a fair review of the business and future developments of the group during the financial year ended 31 July 2013 and of the position of the Group at the end of the year. This information can be found in the Chairman's statement, the CEO's statement and the CFO's statement on pages 5 to 10 and in the rest of this report

Post Balance Sheet Events

There are no post balance sheet events

Dividends

The Directors propose a final dividend of 1.8p per share

Key Performance Indicators

The key performance indicators used by the Directors are as follows

KPIs	2013	2012		
Energy consultants at July	281	181	55%	↑
Contracts secured	27,794	20,013	39%	↑
Secured revenue at July	£16.6m	£7.1m	134%	↑

Principal risks and uncertainties

The principal risks and uncertainties faced by the group are as follows

Exposure to energy suppliers

A significant proportion of the Group's revenues are derived from commissions paid by a small number of energy suppliers. Should these energy suppliers decide in future not to engage with the Group or with TPIs generally and, instead, engage directly with customers, the Group would suffer a loss in revenues related to the commission payable by such energy suppliers. The Group ensures that it is in constant dialogue and has trading with all of the major energy suppliers to help mitigate this risk.

Exposure to underlying customers

The Group's customers pay the energy supplier directly for the energy consumed, with the Group receiving its commissions from the energy supplier. The Group is, however, at risk should the customer cease trading or fail to pay the energy supplier. Should this occur, the Group would suffer a loss in future revenues related to the commissions associated with the future energy consumption by that customer. It should be noted, however, that the energy supplier usually undertakes credit checks on customers prior to entering into a contract to supply energy and there is limited individual customer concentration in revenue terms.

Competition

The Group has a number of competitors. These competitors may announce new services, or enhancements to existing services, that better meet the needs of customers or changing industry standards. Management continue to develop and offer a full range of energy services products to help mitigate customer risk.

Legislation

Legislation may change in a manner that may require more strict or additional standards of compliance than those currently in effect thereby creating additional costs. In addition, the Government may implement legislation requiring changes to current fee structures for TPIs. Should such legislation be passed, there may be a material adverse effect on its financial condition and operating results of the Group.

Regulatory

Currently, energy procurement is an unregulated market. Should regulation be introduced to cover the Group's activities, the increased regulatory burden could impact on the profits of the Group. However, it should be noted that the Board believe that the Group operates in line with best market practice, including the provisions of the OFGEM retail market review, and in their view any such regulation would initially impact on the smaller energy consultancy and brokering businesses.

Risks relating to financial instruments are disclosed in note 3 in the notes to the financial statements.

Directors

The directors, who served throughout the year except as noted, were as follows:

Name of Director	Board Title	Date of appointment
R Feigen	Non-executive Chairman	10 May 2012
G Thompson	Chief Executive	22 January 2008
G A Thompson	Chief Operating Officer	1 October 2006
A Richardson	Chief Financial Officer	3 November 2009
M Dent	Sales and Marketing Director	9 October 2012
S Butterfield	Group Energy Service Director	3 July 2013
P Hailes	Non-executive Director	10 May 2012
T Maxfield	Non-executive Director	10 May 2012

Charitable and political donations

During the year the Group made charitable donations of £5,553 (2012 £2,530) and sponsorship payments of £2,660 (2012 £NIL)

No political donations were made during the year (2012 NIL)

Supplier payment policy

The Groups policy is to meet its obligations promptly on agreed payment dates, unless there is an unresolved query or dispute over the sum due Trade creditors of the Group at 31 July 2013 were equivalent to 44 (2012 34) days purchases, based on the average daily amounts invoiced by suppliers during the year

Substantial shareholdings

On the 29 of July 2013, being the latest practicable date prior to the publication of this document, the Group had been notified, in accordance with sections 791 to 828 of the Companies Act of the following interest in the ordinary share capital of the Group

Name of holder	Number	%
Invesco Perpetual	8,639,138	12.01%
Investec UK Smaller Co fund	6,650,000	9.25%
Old Mutual Global Investors	6,558,799	9.13%
Hargreave Hale	4,583,545	6.38%
River and Mercantile Asset Management	4,191,213	5.83%
Legal and General Group PLC	2,766,667	3.85%

For Directors' substantial shareholdings refer to the Directors' interests note in this report

Auditor

Each of the Directors at the date of approval of this Annual Report confirms that

- So far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant information and to establish that the Group's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

BDO LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint BDO LLP will be proposed at the forthcoming AGM

Approved by the Board of Directors and signed on behalf of the Board on 28 October 2013

A handwritten signature in black ink, appearing to read 'A Richardson', written in a cursive style.

Andrew Richardson
Company secretary

Corporate governance statement

The Group complies, so far as is practicable and appropriate for a Group of its size and nature, with the provisions of the Corporate Governance Code, as modified by the recommendations of the Quoted Companies Alliance (QCA)

Board Structure

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Directors intend to hold monthly board meetings. The following committees were formed following the listing to AIM.

Board Committees

Audit committee

During the year the Audit Committee comprised of Paul Hailes (Chair), Richard Feigen and Tom Maxfield. Meetings are also attended, by invitation, by the Chief Financial Officer. The Audit Committee is responsible for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly managed and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets at least twice in each financial year and has unrestricted access to the Group's external auditors.

Remuneration Committee

During the year the Remuneration Committee comprised of Paul Hailes (Chair) and Tom Maxfield. The remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets at least annually. In exercising this role, the Directors have regard to the recommendations put forward by the QCA Guidelines and, where appropriate, the Corporate Governance Code guidelines.

Nomination Committee

During the year the Nomination Committee consisted of Tom Maxfield (Chair), Paul Hailes and Richard Feigen. The Nomination Committee considers the selection and re-appointment of Directors. It identifies and nominates candidates to fill Board vacancies and reviews regularly the structure, size and composition (including skills, knowledge and experience) of the Board and makes recommendations to the Board with regard to changes.

Internal Control

The Board has overall responsibility for the Group's system of internal control and for reviewing the effectiveness of this system. Such a system can only be designed to manage, rather than eliminate, the risk of failure to achieve the business objectives and can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

The Board are of the view that due to the current size and composition of the Group, that it is not necessary to establish an internal audit function.

Relationship with shareholders

The Group values its dialogue with both institutional and private investors. Effective two way communication with fund managers, institutional investors and analysts is actively pursued and this encompasses issues such as performance, policy and strategy.

Private investors are encouraged to participate in the Annual General Meeting at which the Chairman presents a review of the results and comments on business activity. The Chairman of the Audit and Remuneration Committee will be available at the Annual General Meeting to answer any shareholder questions.

Notice of the Annual General Meeting will be issued in due course.

Going concern

The Directors confirm that they are satisfied the Company and Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis on preparing the financial statements.

Directors Remuneration

As an AIM company Utilitywise Plc is required to comply with Schedule 8 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008. The content of this report is unaudited unless stated.

Remuneration Committee

The remuneration committee comprises of the independent Non-executive Director Paul Hailes and the independent Non-executive Director Tom Maxfield.

The remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service, granting of share options and other equity incentives.

Remuneration Policy

The objectives of the remuneration policy are to ensure that the overall remuneration of Executive Directors is aligned with the performance of the Group and preserves an appropriate balance of income and shareholder value.

Non-executive Directors

Remuneration of the Non-executive Directors, including the Chairman, is determined by the Executive Directors. Non-executive directors are not entitled to pensions, annual bonuses or employee benefits. They are entitled to participate in share option arrangements relating to Group's shares. Each of the Non-executive Directors has a letter of appointment stating his annual fee and that his appointment is initially for a term of three years. Their appointment may be terminated with a maximum of one month's written notice.

Director Remuneration

The normal remuneration arrangements for Executive Directors consist of Directors' fees, basic salary and annual performance-related bonuses.

In addition, they receive private health care, permanent health insurance and pension contributions.

Directors' emoluments

	Fees/ basic salary	Pension contribution	Benefits in kind	2013 total	2012 total
	£	£	£	£	£
Executive					
G Thompson	206,000	22,600	0	228,600	116,666
G A Thompson	206,000	22,600	171	228,771	176,176
A Richardson	206,000	22,600	46	228,646	174,960
M Dent	118,662	7,840	4,364	130,866	0
S Butterfield	15,183	0	0	15,183	0
Non Executive					
R Feigen	40,000	0	0	40,000	5,333
P Hailes	30,000	0	0	30,000	7,500
T Maxfield	30,000	0	0	30,000	7,500
Total	851,845	75,640	4,581	932,066	488,135

M Dent appointed 9 October 2012

S Butterfield appointed 3 July 2013

Directors' interests

The Directors who held office at the 31 July 2013 had the following interests in shares of the Company

	Ordinary shares	
	£.001p each 2013	£.001p each 2012
Executive		
G Thompson	13,468,101	29,463,858
G A Thompson	3,764,544	9,846,817
S Butterfield	2,325,000	-
A Richardson	1,590,075	4,923,409
Non Executive		
R Feigen	66,667	321,972
P Hailes	33,334	33,334
T Maxfield	66,668	66,668
Total	21,314,389	44,656,058

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. Details of options for Directors who served during the year are as follows

Options that were granted during the year are summarised below

	Type	Number of shares under option	Exercise price	Date of grant	Earliest date exercisable
Executive					
G A Thompson	Unapproved	687,500	60p	12/06/2012	12/06/2014
A Richardson	Unapproved	687,500	60p	12/06/2012	12/06/2014
Non Executive					
R Feigen		62,500	60p	12/06/2012	12/06/2014
T Maxfield		31,250	60p	12/06/2012	12/06/2014

The share price at 31 July 2013 was 112 5p

Details of the share options granted by the Company are given in note 26

Directors' responsibilities

The directors are responsible for preparing the director's 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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union with the Company financial statements being prepared in accordance with UK Generally Accepted Accounting Principles. 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 Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 and Group will continue in business

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

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILITYWISE PLC

We have audited the financial statements of Utilitywise plc for the year ended 31 July 2013 which comprise the consolidated statement of total comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, the company statement of financial position and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements 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 auditor's 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2013 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Ian Beaumont (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

Date

28/10/2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Utilitywise Plc
Consolidated statement of total comprehensive income

		12 months ended 31 July 2013	12 months ended 31 July 2012 (Restated)
	Note	£	£
Revenue	4	25,256,142	14,692,987
Cost of sales		13,119,386	8,180,207
Gross profit		12,136,756	6,512,780
Other operating income		142,739	109,582
Other administrative expenses		5,194,916	2,420,454
Exceptional items	7	826,935	391,398
Total administrative expenses		6,021,851	2,811,852
Profit from operations before exceptional items		7,084,579	4,201,908
Exceptional items		(826,935)	(391,398)
Profit from operations		6,257,644	3,810,510
Finance income	8	41,296	-
Finance expense	8	83,521	32,257
Profit before tax		6,215,419	3,778,253
Tax expense	9	1,457,213	1,098,094
Profit for the year attributable to equity holders of the parent company		4,758,206	2,680,159
Other comprehensive income (net of tax)		-	-
Total comprehensive income attributable to equity holders of the parent company		4,758,206	2,680,159

**Earnings per share for profit
attributable to the owners of the
parent during the year**

Basic	10	0 075	0 052
Diluted	10	0 071	0 052

The notes on pages 30 to 66 form part of these financial statements

Utilitywise Plc
Consolidated statement of financial position

		As at 31 July 2013	As at 31 July 2012 (Restated)
	Note	£	£
Non-current assets			
Property, plant and equipment	12	4,795,670	788,189
Goodwill	13	13,697,092	2,356,960
Intangible assets	14	6,943,854	46,678
Accrued revenue	17	7,269,680	337,328
Total non-current assets		32,706,296	3,529,155
Current assets			
Inventories	16	80,825	98,622
Trade and other receivables	17	8,554,629	2,751,674
Cash and cash equivalents		9,014,680	8,227,499
Total current assets		17,650,134	11,077,795
Total assets		50,356,430	14,606,950
Current liabilities			
Trade and other payables	18	12,644,484	2,820,669
Loans and borrowings	19	1,252	24
Corporation tax liability		1,357,362	523,910
Total current liabilities		14,003,098	3,344,603
Non-current liabilities			
Trade and other payables	18	4,669,308	66,790
Loans and other borrowings	19	5,000,000	-
Deferred tax liability	20	1,373,466	110,687
Total non-current liabilities		11,042,774	177,477
Total liabilities		25,045,872	3,522,080
Net assets		25,310,558	11,084,870

Consolidated statement of financial position (continued)

The financial statements on pages 23 to 66 were approved by the Board of Directors and authorised for issue on 28 October 2013 and were signed on their behalf by



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Utilitywise Plc
Consolidated statement of changes in equity

	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings (Restated)	Total (Restated)
	£	£	£	£	£	£
At 1 August 2011	100	-	-	-	2,184,635	2,184,735
Profit for the period	-	-	-	-	2,680,159	2,680,159
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,680,159	2,680,159
Capitalisation of reserves	49,900	-	-	-	(49,900)	-
Share option expense	-	-	20,952	-	-	20,952
Issue of shares	11,426	6,844,079	-	-	-	6,855,505
Share issue costs	-	(656,481)	-	-	-	(656,481)
Equity as at 31 July 2012 (Restated)	61,426	6,187,598	20,952	-	4,814,894	11,084,870
Profit for the period	-	-	-	-	4,758,206	4,758,206
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4,758,206	4,758,206
Dividends paid	-	-	-	-	(1,112,770)	(1,112,770)
Share option expense	-	-	207,964	-	-	207,964
Issue of shares	10,432	4,995,000	-	5,684,693	-	10,690,125
Share issue costs	-	(317,833)	-	-	-	(317,833)
Equity as at 31 July 2013	71,858	10,864,765	228,916	5,684,693	8,460,326	25,310,558

The notes on pages 30 to 66 form part of these financial statements

Utilitywise Plc
Consolidated cash flow statement

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	(Restated) £
Operating activities		
Profit before tax	6,215,419	3,778,253
Finance income	(41,296)	-
Finance expense	83,521	32,257
Depreciation of property, plant and equipment	332,911	187,084
Share option expense	207,964	20,952
Grant income	(36,000)	(35,256)
Amortisation of intangible fixed assets	191,406	45,476
Loss on disposal of property, plant and equipment	-	28,844
	<u>6,953,925</u>	<u>4,057,610</u>
(Increase)/Decrease in trade and other receivables	(11,209,146)	2,386,236
(Increase)/Decrease in inventories	17,796	31,479
Increase/(Decrease) in trade and other payables	<u>7,142,642</u>	<u>112,480</u>
	<u>(4,048,708)</u>	<u>2,530,195</u>
Cash generated from operations	<u>2,905,217</u>	<u>6,587,805</u>
Income taxes paid	(1,206,853)	(1,588,412)
Net cash flows from operating activities	<u>1,698,364</u>	<u>4,999,393</u>
Investing activities		
Purchase of property, plant and equipment	(467,063)	(606,176)
Purchase of intangibles	(57,557)	(92,154)
Acquisition of subsidiary, net of cash acquired	(8,997,012)	(2,490,255)
Sale of property, plant and equipment	-	12,548
Net cash used in investing activities	<u>(9,521,632)</u>	<u>(3,176,037)</u>
Financing activities		
Issue of shares	5,000,000	6,905,405
Share issue costs	(317,833)	(656,481)
Loans repaid	(24)	(39,945)
Loans received	5,000,000	-
Finance income	41,296	-
Finance expense	(220)	(32,257)
Dividends paid	(1,112,770)	-
Net cash raised from financing activities	<u>8,610,449</u>	<u>6,176,722</u>
Net increase in cash and cash equivalents	787,181	8,000,078
Cash and cash equivalents at beginning of period	<u>8,227,499</u>	<u>227,421</u>

Cash and cash equivalents at end of period

9,014,680

8,227,499

The notes on pages 30 to 66 form part of these financial statements

Utilitywise Plc
Notes to the consolidated financial statements

1. Accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union (EU). The parent company has elected to prepare its company accounts in accordance with UK Generally Accepted Accounting Practice. These are presented on page 68.

Utilitywise Plc is incorporated and domiciled in the United Kingdom.

Prior period adjustment

During the preparation of the current year financial statements management has considered the discount rate applied to the expected future cash flows from revenue. After due consideration management now believe that the discount rate of 9% previously applied was a misstatement and did not appropriately reflect the risk associated with this revenue. The discounting rate has therefore been revised to 3% to more accurately reflect the risk of trading with blue-chip energy companies. Management consider it appropriate to reflect this as a prior period adjustment to the financial position and results of 2012. There is no impact on actual cash flows. The impact on the financial results of 2011 is immaterial therefore no adjustments have been made and a statement of financial position as at 31 July 2011 has not been presented. Further narrative has been provided in note 17 of the financial statements.

The principal accounting policies have been applied consistently to all years and are set out below.

Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intra-group transactions including sales, profits, receivables and payables, have been eliminated on the group consolidation.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Utilitywise Plc acquired the entire share capital of Clouds Environmental Consultancy Limited, Aqua Veritas Consulting Limited and Energy Information Centre Limited throughout the year in order to enhance the service offering provided by the group. Results of these companies have been consolidated from each date of acquisition respectively as this is considered to be the date at which control of each company was acquired.

Revenue Recognition

Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue for services provided when the amount of

revenue can be reliably measured and it is probable that future economic benefits will flow to the entity

The Group provides services through negotiating rates with energy suppliers on behalf of business customers and generates revenues by way of commissions from the energy suppliers. This type of revenue is recognised when the contract between the customer and the energy supplier becomes live. No further services regarding procurement are performed once the contract has gone live. Commissions are calculated based on expected energy use by the business customer at agreed commission rates with the energy suppliers. Where actual energy use by the business differs to that calculated at the date the contract goes live, an adjustment is made to revenue once the actual data is known.

The cash received profile relating to these revenues varies according to the contract terms in place with the energy supplier engaged and can be received before the date the contract goes live or spread over the term of the contract between the energy supplier and the end customer which can be for a period of up to three years. Accrued revenues relate to commissions earned, not yet invoiced or paid and are discounted at an appropriate rate.

Revenue also consists of sales of energy management products to business customers and contracts for on-going services. Energy management product revenue is recognised as soon as the work has been completed. In respect of contracts for on-going services, revenue represents the value of work done in the year, including estimates of amounts not invoiced. Revenue in respect of contracts for on-going services is recognised by reference to the stage of completion.

Expenditure

Provision is made when an obligation exists for a future liability relating to a past event and where the amount of the obligation can be reliably estimated.

Exceptional items

The Group seeks to highlight certain items as exceptional operating costs and income. These are considered to be exceptional in size and/or nature rather than indicative of the underlying trade of the Group. These may include items such as restructuring costs, material profits or losses on disposal of property, plant and equipment, impairment of goodwill and profits or losses on the disposal of subsidiaries. All of these items are charged before calculating operating profit or loss. Material profits or losses on disposal of property, plant and equipment, impairment of goodwill and profits or losses on the disposal of subsidiaries are shown as separate items in arriving at operating profit or loss whereas other exceptional items are charged or credited within operating costs and highlighted by analysis. Management apply judgement in assessing the particular items which by virtue of their size and nature are disclosed separately in the statement of comprehensive income and the notes to the financial statements as exceptional items. Management believe that the separate disclosure of these items is relevant to the understanding of the Group's financial performance.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Group's functional currency at the rates prevailing on the balance sheet date. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period.

Retirement Benefits: Defined contribution schemes

The Group operates a defined contribution pension scheme. Contributions to the Group's pension scheme are charged to the consolidated combined statement of comprehensive income in the year to which they relate.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the amount that eventually vests.

Fair value is measured by use of a Black-Scholes Option Pricing Model. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Dividends

Dividends paid are recognised in the Group financial statements in the period in which they become legally payable. In the case of interim dividends this is when declared by the directors. In the case of final dividends it is when they are approved by shareholders.

Goodwill

Goodwill represents the excess of the costs of a business combination over the total acquisition date fair values of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset and is tested for impairment annually. Any impairment in carrying value is charged to the consolidated statement of comprehensive income.

Costs of a business combination are defined as the fair value of assets given, liabilities assumed and equity instruments issued. Any direct costs of acquisition are recognised immediately as an expense.

Other intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that

- It is technically feasible to develop the product for it to be sold,
- Adequate resources are available to complete the development,
- There is an intention to complete and sell the product,
- Sale of the product will generate future economic benefits, and
- Expenditure on the project can be measured reliably

Capitalised development costs are amortised over 4 years being the expected useful life of the asset. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight line basis over their useful economic lives. Where intangible assets are acquired on business combinations, these assets are initially recognised at the fair value at the date of acquisition and subsequently amortised on a straight line basis over their useful economic lives.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of the intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Trademarks	10 years	Amortised cost
Website development and developed software	5 years	Amortised cost
Customer relationships	2 years / 10 years	Amortised cost
Technology based intangible assets	4 years	Amortised cost

The amortisation expense is recognised within administrative expenses in the consolidated statement of comprehensive income.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. Where items of property, plant and equipment are acquired on business combinations, these assets are initially recognised at the net book value at the date of acquisition.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives on a straight line basis. It is provided at the following rates:

Improvements to property	-	period of lease and 10% on cost
Freehold property	-	2% on cost
Plant and machinery	-	10% on cost / 25% reducing balance
Fixtures and fittings	-	20% and 25% on cost
Motor vehicles	-	25% and 33% on cost / 25% reducing balance
Computer equipment	-	33% on cost
Computer software	-	20% and 25% on cost

Impairment of non financial assets

Intangible and other non-financial assets with indefinite useful economic lives are subject to impairment tests annually at the financial year end. The carrying values of non financial assets are reviewed for impairment when there is an indication that assets might be impaired. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in the consolidated income statement, except to the extent they reverse previous gains recognised in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed.

Financial assets

The Group classifies its financial assets into the categories, discussed below, due to the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity.

Loans and receivables

These assets are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, with any subsequent release of discounting being charged or credited to the statement of comprehensive income.

The Group's loans and receivables comprise of trade and other receivables and accrued revenue included within the consolidated statement of financial position.

Cash and cash equivalents include cash held at bank and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities in the consolidated statement of financial position.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the

amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities which include the following:

- Bank loans which are initially recognised at fair value net of any of transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost ensuring the interest element of the borrowing is expensed over the repayment period at a constant rate.
- Trade payables, other borrowings and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair Value Hierarchy

All financial instruments measured at fair value are classified into one of the levels below:

- Level 1: Quoted prices, in active markets.
- Level 2: Level 1 quoted prices are not allowable but fair value is based on observable market data.
- Level 3: Inputs that are not based on observable market data.

Share Capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Costs associated with the issue of new ordinary shares are deducted from share premium. Costs associated with the listing of shares on a public market are allocated on a pro rata basis between the statement of comprehensive income for existing shares listed and to the share premium for new shares listed.

Leased Assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an 'operating lease'), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on

- the initial recognition of goodwill,
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either

- the same taxable group company, or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of the cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Government grants

Government grants received in respect of tangible fixed assets are credited to the income statement over the expected useful economic lives of the relevant assets to which they relate. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income is released to the combined statement of comprehensive income.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

The Board considers that the Group's activities during the year constitute one operating and one reporting segment, as defined under IFRS 8. Management reviews the performance of the Group by reference to total results against budget. As the energy management revenues grow a reassessment of operating segments will take place.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the combined income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial statements.

2. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements and accounting estimates and assumptions

(a) Revenue recognition

Energy procurement revenue is recorded at the fair value of the service provided, which is calculated using expected energy use of the business customer at agreed commission rates with the energy provider. The Group believes that, based on past performance, it can reliably measure commission revenues, however there is inevitably a variability in these calculations for energy use by the business customer and this is taken into account when assessing the initial fair value. Historic data indicates that the variability is circa 15%. The Fair value estimate is to be reassessed on an ongoing basis to ensure it remains appropriate. Should the assumptions on which commission income is calculated vary by more than 15% then there may be a material impact on reported revenues and profits. If commission income varied by a further 1% reported revenues would differ by £230,287.

Management have estimated the future cash flows from revenue and applied a 3% discount rate to reflect the risk associated with the cashflows. Should a different discount rate be applied then reported profits would change. A 0.5% movement in the discount rate would result in a change in profit of £66,000.

(b) Goodwill impairment

The Group recognises the need to consider the carrying value of goodwill on an annual basis. The Group has prepared an estimation of the value in use of the cash generating units to which goodwill has been allocated. This has been performed by estimating the future cash flows expected to arise from each cash generating unit and applying a suitable discount rate in order to calculate present value. An impairment review has been performed at the reporting date and no impairment has been identified. More details including carrying values are included in note 13.

(c) Other intangible assets

As set in note 1, accounting policies, intangible assets acquired in a business combination are capitalised and amortised over their useful lives. Both initial valuations and valuations for subsequent impairment tests are based on risk adjusted future cash flows discounted using appropriate discount rates. These future cash flows will be based on forecasts which are inherently judgemental. Future events could cause the assumptions to change which could have an adverse effect on the future results of the Group.

Under IFRS 3 all assets and liabilities acquired as part of a business combination have been recorded at fair value

(d) Share based payments

The Group has an equity-settled share-based remuneration scheme for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments (shares) at the date of grant. The fair value of share options is estimated by using the Black Scholes valuation model on the date of grant based on certain assumptions. Those assumptions are described in note 27 and include, among others, expected volatility, expected life of the options and number of options expected to vest.

(e) Contingent consideration

The Group has estimated contingent consideration in relation to the acquisitions of Clouds Environmental Consultancy Limited and Aqua Veritas Consulting Limited totalling £2,385,000. The amount of contingent consideration has been fair valued at the date of acquisition. When valuing the contingent consideration payable on acquisitions the Group has considered various factors including the expected performance to the end of the earnout period, as earnout values are based on an EBITDA multiple. The maximum amount of contingent cash payable is £385,000 in relation to Clouds Environmental Consultancy Limited and £4,000,000 in relation to Aqua Veritas Consulting Limited. Should actual EBITDA performance be different than estimated EBITDA performance then fair value of contingent consideration may vary. Once established, fair value is considered at each period end based on a review of current performance. Any changes in fair value will flow through the statement of comprehensive income.

(f) Property, plant and equipment

Property, plant and equipment is depreciated over the useful lives of the assets. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement. Future events could cause the assumptions to change, therefore this could have an adverse effect on the future results of the Group.

3. Financial instruments – Risk Management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Foreign currency risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank loans

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value at 31 July 2013 and 31 July 2012.

Trade and other receivables are measured at book value and amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

Cash and cash equivalents are held in sterling and euro and placed on deposit in UK banks.

Trade and other payables are measured at book value and amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. At 31 July 2013 the Group has trade receivables and accrued revenues of £15,189,256 (2012: £2,701,572).

Commissions are earned from large blue chip energy suppliers therefore, in this respect, credit risk is considered low. However, there is credit risk between the energy supplier and the end user that may impact commissions received if the energy supplier is unable to collect cash balances due from the end user. However, this is taken into account when measuring the initial fair value of revenues. The Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering contracts with customers with agreed credit terms.

The Group's most significant financial asset is cash and cash equivalents of £9,014,680 which at 31 July 2013 was held in deposit with Lloyds TSB Bank plc (which is rated A2/A- with Moody's and Standard and Poor's respectively). These deposits are held with maturities of less than 3 months.

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 July 2013 and consequently no further provisions have been made for bad and doubtful debts.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days.

The Board receives rolling 12 month cash flow projections on a monthly basis as well as information regarding cash balances. At the balance sheet date the Group has cash balances of £9,014,680 (2012 £8,227,499) and the financial forecasts indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The Group has entered into a new revolving credit facility with Royal Bank of Scotland during the financial year in order to finance the acquisition of a subsidiary company.

Foreign currency risk

Foreign currency risk arises from the Group's transactions in currencies other than the Group's functional currency. No external hedge is entered into as the Group does not believe this risk to be significant due to the low volume of transactions in other currencies. This will continue to be reviewed on an ongoing basis.

Capital Management

The Group's capital is made up of share capital, share premium, share option reserve, merger reserve and retained earnings totalling £25,310,558 as at 31 July 2013 (2012 £11,084,870).

The Group's objectives when maintaining capital are

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources. Newly acquired long term debt was utilised by the Group to finance the acquisition of a subsidiary company and is not considered by management to form a part of the Group's capital structure.

4. Revenue

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	(Restated) £
Revenue arises from		
Provision of services	25,256,142	14,692,987
Analysis of concentration of customers top 3 and other:		
Customer 1	4,558,216	3,987,602
Customer 2	3,859,520	3,718,815
Customer 3	3,740,411	3,152,739
Other	13,097,995	3,833,831
	25,256,142	14,692,987

5. Profit from operations

The operating profit is stated after charging

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Release of government grants	36,000	35,256
Inventories recognised as an expense	51,139	73,771
Staff costs	13,977,270	7,320,209
Share option expense	207,964	18,112
Depreciation	332,911	187,084
Trademark amortisation	3,582	1,121
Development costs amortisation	27,286	44,355
Technology based amortisation	17,572	-
Customer relationships amortisation	142,966	-
Lease payments	168,166	42,588
Auditor's remuneration		
Audit fees	57,500	38,500
Other services	102,050	1,000

6. Staff costs

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Wages and salaries	12,601,394	6,601,972
Social security costs	1,261,301	656,553
Other pension costs	114,575	61,684
Share option expense	207,964	18,112
	<u>14,185,234</u>	<u>7,338,321</u>

The average monthly number of employees during the period was as follows

	12 months ended 31 July 2013	12 months ended 31 July 2012
Directors	8	3
Staff	<u>444</u>	<u>223</u>
	<u>452</u>	<u>226</u>

Directors remuneration, included in staff costs

	£	£
Salaries	977,889	379,450
Pension contributions	75,640	58,350
Share option expense	<u>67,188</u>	<u>11,198</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>3</u>
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Information regarding the highest paid director is as follows

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Salaries	206,000	153,500
Pension contributions	<u>22,600</u>	<u>19,450</u>

7. Exceptional items

Exceptional items in the year ended 31 July 2013 relate to the costs incurred in the acquisitions of Clouds Environmental Consultancy Limited, Aqua Veritas Consulting Limited and Energy Information Centre Limited. Costs associated with share issues have been taken to the share premium account. Please see the Consolidated Statement of Changes in Equity. Exceptional items in the year ended 31 July 2012 relate to a one off lease termination fee of £75,000 and £316,398 of listing fees incurred on admission to the AIM. £316,398 is considered to be the listing fee value attributable to shares in issue prior to the AIM listing. Exceptional items are included in administrative expenses in the income statement.

8. Finance income and expenses

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Finance income		
Bank interest	41,296	-
Finance expense		
Bank interest	157	582
Other interest	83,364	21,784
VAT interest	-	7,763
Factoring interest	-	2,128
	83,521	32,257

9. Tax expense

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	(Restated) £
Current tax expense		
Current tax on profits for the period	1,617,704	1,045,352
Deferred tax expense		
Origination and reversal of temporary differences	(160,491)	52,742
Total tax expense	1,457,213	1,098,094

9. Tax expense (continued)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year as follows

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	(Restated) £
Profit for the period	6,215,419	3,778,253
Expected tax charge based on corporation tax rate of 23.67% in 2013 (25.33% in 2012)	1,471,190	957,031
Depreciation in excess of capital allowances	17,664	10,120
Expenses not deductible for tax purposes	70,229	117,414
HMRC charges refund	-	(2,743)
Government grants	-	(2,304)
Marginal relief	(414)	-
Other adjustments	(101,456)	18,576
Total tax expense	1,457,213	1,098,094

10. Earnings per share

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	(Restated) £
Profit		
Profit used in calculating basic and diluted profit	4,758,206	2,680,159
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	63,220,550	51,523,446
Effects of		
Employee share options and warrants	3,109,573	327,944
Contingent shares to be issued	315,315	-
Weighted average number of shares for the purpose of diluted earnings per share	66,645,438	51,851,390

11. Dividends

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Dividends paid	<u>1,112,770</u>	<u>-</u>

In the year a final dividend in relation to the year ended 31 July 2012 of 1p was paid on 61,820,578 shares. An interim dividend in relation to the year ended 31 July 2013 of 0.8p per share was paid on 61,820,578 shares, being the number of shares in issue on the date the dividend was declared.

No further dividends had been declared as at 31 July 2013.

12. Property, plant and equipment

	Improvements to property £	Computer Software £	Fixtures and Fittings £	Plant and Machinery £	Computer Equipment £	Motor Vehicles £	Totals £
COST							
At 1 August 2011	31,779	184,071	114,480	-	244,051	21,505	595,886
Additions	52,899	76,223	119,351	-	147,781	-	396,254
Additions on acquisition	146,879	-	1,532	60,848	663	-	209,922
Disposals	(31,779)	-	-	-	(560)	(21,505)	(53,844)
At 31 July 2012	199,778	260,294	235,363	60,848	391,935	-	1,148,218
DEPRECIATION							
At 1 August 2011	5,475	55,297	40,698	-	83,330	597	185,397
Charge for period	24,294	39,381	42,686	3,830	72,114	4,779	187,084
Eliminated on disposal	(7,064)	-	-	-	(12)	(5,376)	(12,452)
At 31 July 2012	22,705	94,678	83,384	3,830	155,432	-	360,029
NET BOOK VALUE							
At 31 July 2012	177,073	165,616	151,979	57,018	236,503	-	788,189

	Improvements to property £	Freehold property £	Computer Software £	Fixtures and Fittings £	Plant and Machinery £	Computer Equipment £	Motor Vehicles £	Totals £
COST								
At 1 August 2012	199,778	-	260,294	235,363	60,848	391,935	-	1,148,218
Additions	75,925	-	151,392	9,736	13,970	216,040	-	467,063
Additions on acquisition	178,978	3,308,488	-	920	-	161,789	223,154	3,873,329
At 31 July 2013	454,681	3,308,488	411,686	246,019	74,818	769,764	223,154	5,488,610
DEPRECIATION								
At 1 August 2012	22,705	-	94,678	83,384	3,830	155,432	-	360,029
Charge for period	71,184	7,524	62,614	56,604	8,796	119,552	6,637	332,911
At 31 July 2013	93,889	7,524	157,292	139,988	12,626	274,984	6,637	692,940
NET BOOK VALUE								
At 31 July 2013	360,792	3,300,964	254,394	106,031	62,192	494,780	216,517	4,795,670

As at 31 July 2013 and 31 July 2012 the Group had no material capital commitments

13. Goodwill

	As at 31 July 2013 £	As at 31 July 2012 £
COST		
Opening balance	2,356,960	-
Additions	11,340,132	2,356,960
Closing balance	13,697,092	2,356,960

The Group has five cash generating units being Utilitywise, Eco Monitoring Utility Systems, Clouds Environmental Consultancy, Aqua Veritas Consulting and Energy Information Centre. The additions to goodwill in the period ended 31 July 2013, arising on the acquisition of Clouds Environmental Consultancy Limited, Aqua Veritas Consulting Limited and Energy Information Centre Limited, have been allocated to the cash generating unit (CGU) of each company respectively.

The valuation of the CGU for goodwill impairment testing has been prepared on a value in use basis. Value in use is calculated as the net present value of the projected risk-adjusted post tax cash flows plus a terminal value of the cash generating unit. A pre-tax discount rate is applied to calculate the net present value of pre tax cash flows. The discount rate is based on the Group's weighted average cost of capital.

Details relating to the discounted cash flow model used in the impairment tests are as follows:

<u>Valuation basis</u>	<u>Value in use</u>
Key assumptions	Sales growth Profit margins Discount rates
Determination of forecasts assumptions	Growth rates are based on management estimates and based on internal and external market information Margins are based on past experience and cost estimates
Period of specific projected cash flow used in forward cash flow forecasts	3 - 5 years
Discount rate	9% - 18%
Terminal growth rate	0% - 2.5%

No impairment has been identified from the goodwill impairment testing performed.

13. Goodwill (*continued*)

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows

	As at 31 July 2013 £	As at 31 July 2012 £
Eco Monitoring Utility Systems Ltd	2,356,960	2,356,960
Clouds Environmental Consultancy Limited	995,908	-
Aqua Veritas Consulting Limited	1,804,441	-
Energy Information Centre Limited	8,539,783	-
	<u>13,697,092</u>	<u>2,356,960</u>

Assumptions relating to the discounted cash flow model used in the impairment tests of goodwill allocated to Energy Information Centre Limited are as follows

<u>Valuation basis</u>	<u>Value in use</u>
Key assumptions	Sales growth Profit margins Discount rates
Determination of forecasts assumptions	Growth rates are based on management estimates and based on internal and external market information Margins are based on past experience and cost estimates
Period of specific projected cash flow used in forward cash flow forecasts	5 years
Discount rate	16%
Terminal growth rate	2.5%

14. Intangible assets

	Software £	Trademarks £	Totals £
COST			
As at 1 August 2011	-	-	-
Additions on acquisition	71,641	18,986	90,627
Additions	-	1,527	1,527
As at 31 July 2012	71,641	20,513	92,154
DEPRECIATION			
As at 1 August 2011	-	-	-
Charge for period	44,355	1,121	45,476
As at 31 July 2012	44,355	1,121	45,476
NET BOOK VALUE			
As at 31 July 2012	27,286	19,392	46,678

	Software £	Trademarks £	Technology based £	Customer relationships £	Totals £
COST					
As at 1 August 2012	71,641	20,513	-	-	92,154
Additions on acquisition	-	108,025	241,000	6,682,000	7,031,025
Additions	-	57,557	-	-	57,557
As at 31 July 2013	71,641	186,095	241,000	6,682,000	7,180,736
DEPRECIATION					
As at 1 August 2012	44,355	1,121	-	-	45,476
Charge for period	27,286	3,582	17,572	142,966	191,406
As at 31 July 2013	71,641	4,703	17,572	142,966	236,882
NET BOOK VALUE					
As at 31 July 2013	-	181,392	223,428	6,539,034	6,943,854

Technology based intangible assets have arisen on the acquisition of Aqua Veritas Consulting Limited. Under IFRS 3 the fair value of these technology based assets has been assessed at £241,000 as at the date of acquisition. It is the opinion of management that these assets are not impaired at 31 July 2013.

Customer relationships have been valued in relation to both Aqua Veritas Consulting Limited and Energy Information Centre Limited. These have been valued at £443,000 and £6,239,000 respectively. It is the opinion of management that these assets are not impaired at 31 July 2013.

15. Subsidiaries

The principal subsidiaries of the Company, all of which have been included in the consolidated financial information, are as follows

Name	Principal activity	Ownership	Ownership
		As at 31 July 2013	As at 31 July 2012
Eco Monitoring Utility Systems Limited <i>(Incorporated – United Kingdom)</i>	Design and implementation of energy services solutions	100%	100%
EcoAuditors Limited <i>(Incorporated – United Kingdom)</i>	Dormant	100%	100%
EcoAuditors Licensing Limited <i>(Incorporated – United Kingdom)</i>	Dormant	100%	100%
Clouds Environmental Consultancy Limited <i>(Incorporated – United Kingdom)</i>	Energy and environmental consumption consultancy	100%	0%
Aqua Ventas Consulting Limited <i>(Incorporated – United Kingdom)</i>	Consultancy services	100%	0%
Energy Information Centre Limited <i>(Incorporated – United Kingdom)</i>	Provision of energy information and consultancy services	100%	0%
EIC Energy Trading Limited <i>(Incorporated – United Kingdom)</i>	Dormant	100%	0%
Broadfem Properties Limited <i>(Incorporated – United Kingdom)</i>	Dormant	100%	0%

16. Inventories

	As at 31 July 2013 £	As at 31 July 2012 £
Finished goods	<u>80,825</u>	<u>98,622</u>

17. Trade and other receivables

	As at 31 July 2013 £	As at 31 July 2012 (Restated) £
Current		
Trade receivables	3,757,211	767,112
Prepayments	635,053	387,430
Accrued revenue	<u>4,162,365</u>	<u>1,597,132</u>
	8,554,629	2,751,674
Non current		
Accrued revenue	<u>7,269,680</u>	<u>337,328</u>
	7,269,680	337,328

The ageing analysis of trade receivables is as follows

	As at 31 July 2013 £	As at 31 July 2012 £
Up to 3 months	3,264,411	766,921
3 to 6 months	468,243	9,565
Older than 6 months	<u>24,557</u>	<u>(9,374)</u>
	3,757,211	767,112

Within trade and other receivables no material balances are past the due date at the year end (2012 £Nil). The quality of the credit is identified as high due to the significant amount of the debt owed by blue chip companies. Any cash amounts received in advance of services performed are available for set-off against accrued revenue balances. The accrued revenue and cash received in advance balances included within trade and other receivables have been discounted at 3%. In the prior year the balance was discounted at 9%. Management have reviewed the previously applied discounting rate during the preparation of the current year financial statements and have concluded that a rate of 3% more accurately reflects the risk associated with these balances. As such appropriate adjustments have been made to the 2012 results. An adjustment of £310,181 has been made to revenue, which has increased profit after tax and net assets by £248,145 after tax adjustments have been made. Earnings per share has increased from 4.7p to 5.2p.

18. Trade and other payables

	As at 31 July 2013 £	As at 31 July 2012 £
Current		
Trade payable	1,589,976	638,877
Accruals and deferred revenue	4,340,628	1,333,388
Contingent consideration	2,385,000	-
Deferred consideration	1,148,529	-
Social security and other taxes	3,045,196	790,829
Directors loan account	21,575	21,575
Deferred government grant	36,000	36,000
Other creditors	77,580	-
	12,644,484	2,820,669
Non current		
	£	£
Accruals and deferred revenue	4,638,518	-
Government grants	30,790	66,790
	4,669,308	66,790

The table below summarises the maturity profile of the Group's financial liabilities as at 31 July 2013, based on contractual undiscounted payments

	Less than three months £	Three to twelve months £	One to five years £	Over five years £	Total £
31 July 2013					
Trade payable	1,589,976	-	-	-	1,589,976
Accruals	1,642,027	26,278	-	-	1,668,305
Contingent consideration	385,000	2,000,000	-	-	2,385,000
Deferred consideration	1,148,529	-	-	-	1,148,529
Directors loan account	-	21,575	-	-	21,575
Deferred government grant	9,000	27,000	30,790	-	66,790
Other creditors	66,367	-	11,213	-	77,580
Overdraft	1,252	-	-	-	1,252
Revolving credit facility	-	-	5,000,000	-	5,000,000

Included within accruals are amounts of £385,000 and £2,000,000 respectively, in relation to contingent consideration for the acquisitions of Clouds Environmental Consultancy Limited and Aqua Veritas Consulting Limited

18. Trade and other payables (*continued*)

	Less than three months £	Three to twelve months £	One to five years £	Over five years £	Total £
31 July 2012					
Trade payable	638,877	-	-	-	638,877
Accruals	1,333,388	-	-	-	1,333,388
Directors loan account	-	21,575	-	-	21,575
Deferred government grant	9,000	27,000	66,790	-	102,790
Finance lease creditor	24	-	-	-	24

The ageing analysis of trade payables is as follows

	As at 31 July 2013 £	As at 31 July 2012 £
Up to 3 months	1,128,904	425,999
3 to 6 months	500,726	150,034
Older than 6 months	(39,654)	62,844
	1,589,976	638,877

Older debit balances within trade payables arise from payments made on account in advance of services provided

Book values approximate to fair values at 31 July 2013 and 31 July 2012

19. Loans and borrowings

	12 months ended 31 July 2013 £	12 months ended 31 July 2012 £
Overdraft	1,252	-
Revolving credit facility	5,000,000	-
Finance lease creditor	-	24
Total loans and borrowings	5,001,252	24

Book values approximate to fair values at 31 July 2013 and 31 July 2012

19. Loans and borrowings (*continued*)

Principal terms and the debt repayment schedule of the Group's loan and borrowings are as follows at 31 July 2013 and 31 July 2012

	Currency	Nominal Rate %	Year of maturity
Finance lease creditor	Sterling	3.5%	2012

During the financial year the Group entered into a revolving credit facility. The maximum drawdown on this facility is £10m. The Group has undrawn borrowing facilities available at 31 July 2013 of £5m. Interest is charged on the facility at a floating rate linked to LIBOR. The facility expires on 12 June 2017.

The facility is secured by a floating charge over the Group's freehold property.

20. Deferred Tax

Deferred tax is calculated in full on temporary differences under the liability method using tax rate of 20%.

The movement on the deferred tax account is as shown below:

	As at 31 July 2013 £	As at 31 July 2012 (Restated) £
Opening balance	110,687	57,945
On acquisition	38,666	-
Arising from business combinations	1,384,600	-
<i>Recognised in profit and loss</i>		
Tax expense	(160,498)	52,742
Closing balance	<u>1,373,466</u>	<u>110,687</u>

The deferred tax has arisen due to the timing difference on accelerated capital allowances, discounting on accrued revenue and deferred tax liabilities acquired on business combinations.

21. Share capital

	As at 31 July 2013	As at 31 July 2012
Share capital issued and fully paid		
71,858,078 Ordinary shares of £0 001 each	71,858	61,426

Ordinary shares carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up

On 1 October 2012 a further 394,736 shares were issued at £0 76 per share, which resulted in a merger reserve of £299,605 and additions to share capital of £395.

On 13 June 2013 a further 5,000,000 shares were issued at £1 00 per share, which resulted in a share premium of £4,995,000 and additions to share capital of £5,000. Costs associated with the share issue of £317,833 have been offset against the share premium account in the period

On 13 June 2013 a further 5,037,500 shares were issued at £1 00 per share for consideration in the investment in Energy Information Centre Limited. The investment has been recognised at fair value in the consolidated financial statements which resulted in additions to merger reserve of £5,385,088 and additions to share capital of £5,037.

22. Reserves

Retained earnings are the cumulative net profits in the consolidated income statement less £49,900 capitalised from reserves in the prior year

During the year the Group made a number of acquisitions. Where shares have been issued as part of a business combination the nominal value is held within share capital and the excess of nominal value within the merger reserve

Movements on reserves are set out in the consolidated statement of changes in equity

23. Leases

The Group leases a number of vehicles as well as its property. The total value of minimum lease payments is due as follows:

	31 July 2013 £	31 July 2012 £
Not later than one year	567,613	307,268
Later than one year and not later than five years	1,844,168	1,317,840
Later than five years	1,297,958	1,541,667
	3,709,739	3,166,775

In the previous financial year the company moved premises. As part of the deal the company received an option to purchase the property in 2016 for £2,600,000.

24. Related party transactions

Prior to acquisition, Utilitywise Plc made sales of £Nil (2012 £Nil) to Eco Monitoring Utility Systems Limited (EMU) and purchased goods and services of £Nil (2012 £800,000) from EMU. Prior to the acquisition of EMU, the companies were related by common control.

Compensation of key management personnel (including Directors)

	12 months ended 31 July 2013 £	12 months ended 31 July 2012 £
Wages and salaries	1,459,137	525,348
Social security costs	169,408	23,901
Pension contributions	89,080	58,350
Share option expense	98,805	14,115
	1,816,430	621,714

24. Related party transactions (*continued*)

During the year payments totalling £99,303 (2012 £249,870) were made for services received from Hub Capital Partners Limited, in which R Feigen is a Director

Key management personnel includes those people having authority and responsibility for planning, directing and controlling the activities of the entity

The following loans to/(from) directors existed during the periods ended 31 July 2013 and 31 July 2012

	As at 31 July 2013 £	As at 31 July 2012 £
G Thompson		
Opening balance	(21,575)	1,234,137
Additions on acquisition	-	(21,575)
Amounts advanced	-	1,758,714
Amounts repaid	-	(2,992,851)
Closing balance	<u>(21,575)</u>	<u>(21,575)</u>
G A Thompson		
Opening balance	-	156,756
Amounts advanced	-	66,427
Amounts repaid	-	(223,183)
Closing balance	<u>-</u>	<u>-</u>
A Richardson		
Opening balance	-	98,361
Amounts advanced	-	42,282
Amounts repaid	-	(140,643)
Closing balance	<u>-</u>	<u>-</u>

The loans are interest free and repayable on demand

25. Acquisition of Clouds Environmental Consultancy Limited

Utilitywise Plc acquired the entire share capital of Clouds Environmental Consultancy Limited on 1 October 2012 for £1,040,821 in order to enhance the service offering provided by the Group

Consideration consisted of both cash payments and the issue of shares, an element of which is contingent on the performance of Clouds Environmental Consultancy Limited to 31 July 2013. Contingent consideration has been included as a best estimate of amounts payable

Goodwill on consolidation has been calculated as follows

	£
Amount of consideration	1,040,821
Fair value of net assets acquired	
Property, plant and equipment	15,260
Receivables	122,289
Cash	159,152
Payables	(251,788)
Net assets	<u>44,913</u>
Goodwill (note 13)	<u>995,908</u>

Consideration	
Cash	355,821
Shares issued	300,000
Contingent consideration	<u>385,000</u>
Total consideration	<u>1,040,821</u>

The goodwill reflects expected synergies from combining the two businesses and is not tax deductible

The total value of the contingent consideration is based on a multiple of expected EBITDA capped at £385,000. This is split equally between cash and shares. All of the contingent consideration is included in trade and other payables as it meets the definition of a financial liability

Since the date of acquisition Clouds Environmental Consultancy Limited has generated revenue of £916,913 and a profit before tax of £203,999 which is included in the consolidated statement of comprehensive income

Assuming Clouds Environmental Consultancy Limited was acquired at the beginning of the annual reporting period, group revenue would be £24,966,494 and profit before tax £6,053,067

The Group estimate costs incurred in relation to the transactions to be £49,403. These costs are included within exceptional items in the consolidated statement of total comprehensive income.

Acquisition of Aqua Veritas Consulting Limited

Utilitywise Plc acquired the entire share capital of Aqua Veritas Consulting Limited on 16 April 2013 for £2,161,677 in order to enhance the service offering provided by the Group.

Consideration consisted of both cash payments and the issue of shares, an element of which is contingent on the performance of Aqua Veritas Consulting Limited to 30 April 2014. Contingent consideration has been included as a best estimate of amounts payable.

Goodwill on consolidation has been calculated as follows:

	£
Amount of consideration	2,161,677
Fair value of net assets acquired	
Customer related intangible assets	443,000
Technology based intangible assets	241,000
Property, plant and equipment	12,158
Receivables	349,011
Cash	15,361
Payables	(566,494)
Deferred tax liability	(136,800)
Net assets	<u>357,236</u>
Goodwill (note 13)	<u>1,804,441</u>
Consideration	
Cash	70,385
Liabilities settled	91,292
Contingent consideration	<u>2,000,000</u>
Total consideration	<u>2,161,677</u>

Customer related intangible assets relate to customer relationships in place at the date of acquisition.

Technology related intangible assets relate to hardware design intellectual property.

The goodwill reflects the value of the workforce and expected synergies from combining the two businesses and is not tax deductible.

The total value of the contingent consideration is based on a multiple of expected EBITDA, capped at £4,000,000. This is split equally between cash and shares. All of the contingent consideration is included in trade and other payables as it meets the definition of a financial liability.

Since the date of acquisition Aqua Veritas Consulting Limited has generated revenue of £276,886 and a profit before tax of £168,198 which is included in the consolidated statement of comprehensive income.

Assuming Aqua Veritas Consulting Limited was acquired at the beginning of the annual reporting period, group revenue would be £24,940,096 and profit before tax £5,844,453.

The Group estimates costs incurred in relation to the transactions to be £70,892. These costs are included within exceptional items in the consolidated statement of total comprehensive income.

Acquisition of Energy Information Centre Limited

Utilitywise Plc acquired the entire share capital of Energy Information Centre Limited on 3 July 2013 for £18,201,154 in order to enhance the service offering provided by the Group.

Consideration consisted of both cash payments and the issue of shares.

Goodwill on consolidation has been calculated as follows:

	£
Amount of consideration	18,201,154
Fair value of net assets acquired	
Customer related intangible assets	6,239,000
Intangible fixed assets	108,025
Property, plant and equipment	3,845,911
Investments	200
Receivables	1,094,239
Cash	3,008,473
Payables	(3,386,677)
Deferred tax liability	(1,247,800)
Net assets	<u>9,661,371</u>
Goodwill (note 13)	<u>8,539,783</u>

Consideration	
Cash	11,662,500
Shares issued	5,390,125
Deferred cash	1,148,529
Total consideration	<u>18,201,154</u>

Customer related intangible assets relate to customer relationships in place at the date of acquisition

The goodwill reflects the value of the workforce and expected synergies from combining the two businesses and is not tax deductible

Since the date of acquisition Energy Information Centre Limited has generated revenue of £531,444 and a profit before tax of £145,867 which is included in the consolidated statement of comprehensive income

Assuming Energy Information Centre Limited was acquired at the beginning of the annual reporting period, group revenue would be £31,108,691 and profit before tax £7,901,001

The Group estimate costs incurred in relation to the transactions to be £786,131 Of this amount £317,833 relate to the issue of new shares to fund the acquisition and have subsequently been taken to the share premium reserve The remaining costs are included within exceptional items in the consolidated statement of total comprehensive income

26. Share based payments

The Group operates an equity settled LTIP remuneration scheme for Directors and certain management The only vesting conditions attached to the options are that the individual must remain an employee of the Group for a minimum period The Group also issued warrants to third party companies during the prior period LTIP options and warrants were issued on 12 June 2012

The Group operates an equity settled Save As You Earn (SAYE) scheme for employees and an equity settled Company Share Option Plan (CSOP) remuneration scheme for Directors and certain management The only vesting conditions attached to the options are that the individual must remain an employee of the Group for a minimum period SAYE and CSOP options were granted on 23 November 2012

26. Share based payments (*continued*)

The number of share options in existence during the year was as follows

LTIP

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 01 Aug	2,126,250	60p	-	-
Granted during the year	-	60p	2,126,250	60p
Forfeited during the year	25,000	60p	-	-
Outstanding at 31 July	2,101,250	60p	2,126,250	60p
Exercisable at 31 July	-	-	-	-

SAYE

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 01 Aug	-	-	-	-
Granted during the year	746,090	67 6p	-	-
Outstanding at 31 July	746,090	67 6p	-	-
Exercisable at 31 July	-	-	-	-

26. Share based payments (*continued*)

CSOP

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 01 Aug	-	-	-	-
Granted during the year	1,072,058	85p	-	-
Outstanding at 31 July	1,072,058	85p	-	-
Exercisable at 31 July	-	-	-	-

Warrants

	2013		2012	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 01 Aug	333,332	60p	-	-
Granted during the year	-	60p	333,332	60p
Outstanding at 31 July	333,332	60p	333,332	60p
Exercisable at 31 July	333,332	60p	-	-

The vesting period of the LTIP remuneration scheme is two years. The vesting period of the CSOP remuneration scheme and SAYE scheme is three years and the vesting period of the Warrants is one year.

The contractual life of the LTIP and CSOP remuneration schemes is five years. The contractual life of the Warrants is five years and the contractual life of the SAYE scheme is 3.75 years.

26. Share based payments (*continued*)

Options are valued using the Black- Scholes option pricing model. The following information is relevant in the determination of the fair value of options and warrants granted

	LTIPS	SAYE	CSOP	Warrants
Risk free interest rate	0.37%	0.64%	0.83%	0.26%
Expected volatility	37.0%	39.0%	41.6%	33.0%
Expected option life (in years)	3	3.75	5	2
Weighted average share price (in pence)	60	89	85	60
Weighted average exercise price (in pence)	60	67.6	85	60
Weighted average fair value of options granted (in pence)	15	36	32	11

The share-based remuneration expense comprises

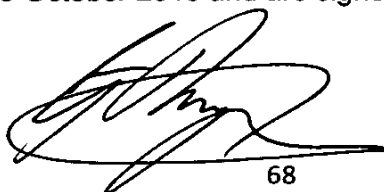
	2013	2012
Equity settled - LTIPS	107,200	18,112
Equity settled - SAYE	41,194	-
Equity settled - CSOP	40,634	-
Warrants	18,936	2,840
	207,964	20,952

Utilitywise Plc
Company statement of financial position

		12 months ended 31 July 2013	12 months ended 31 July 2012
	Note	£	£
Non-current assets			
Tangible assets	5	736,600	564,690
Fixed asset Investments	6	24,423,150	2,500,000
Debtors	7	11,149,283	4,405,703
Total non-current assets		36,309,033	7,470,393
Current assets			
Stock		80,825	-
Debtors	7	11,080,870	2,258,380
Cash at bank and in hand		5,270,856	8,170,346
Total current assets		16,432,551	10,428,726
Creditors			
Amounts falling due within one year	8	14,437,551	4,373,065
Net current assets		1,995,000	6,055,661
Creditors			
Amounts falling due after more than one year	9	13,001,614	2,215,365
Provision for liabilities	12	55,471	48,655
Total non-current liabilities		13,057,085	2,264,020
Net assets		25,246,948	11,262,034
Equity attributable to equity holders of the company			
Called up share capital	13	71,858	61,426
Share premium	14	10,864,765	6,187,598
Merger reserve	14	5,684,693	-
Share option reserve	14	228,916	20,952
Retained earnings	14	8,396,716	4,992,058
Total equity		25,246,948	11,262,034

The financial statements on pages 23 to 66 were approved by the Board of Directors and authorised for issue on 28 October 2013 and are signed on their behalf by.

G Thompson
Chief Executive Officer



Utilitywise Plc

Notes to the company financial statements

1. Accounting policies

Basis of accounting

The financial statements have been prepared under UK Generally Accepted Accounting Practice using the historical cost convention

Turnover

The company measures turnover at the fair value of the consideration received or receivable. The company recognises revenue for services provided when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

The Company provides services through negotiating rates with energy suppliers on behalf of business customers and generates revenues by way of commissions from the energy suppliers. This type of revenue is recognised when the contract between the customer and the energy supplier becomes live. No further procurement services are performed once the contract has gone live. Commissions are calculated based on expected energy use by the business customer at agreed commission rates with the energy suppliers. Where actual energy use by the business differs to that calculated at the date the contract goes live, an adjustment is made to revenue once the actual data is known.

The cash received profile relating to these revenues varies according to the contract terms in place with the energy supplier engaged and can be received before the date the contract goes live or spread over the term of the contract between the energy supplier and the end customer. Accrued revenues relate to commissions earned, not yet invoiced or paid.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to property	-	period of the lease
Computer software	-	20% on cost
Fixtures and fittings	-	25% on cost
Motor vehicles	-	33% on cost
Computer equipment	-	25% on cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss in the period to which they relate.

Operating lease agreements

Rentals payable under operating leases are charged to the profit and loss account in the period to which they relate.

Grants

Grants receivable in respect of tangible fixed assets are credited to the profit and loss account over the expected useful economic lives of the relevant assets to which they relate. Grants received but not yet released to the profit and loss account are included as deferred income in the balance sheet.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the amount that eventually vests.

Fair value is measured by use of a Black-Scholes Option Pricing Model. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2. Staff costs

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Wages and salaries	11,810,615	6,633,302
Social security costs	1,184,839	648,233
Other pension costs	108,011	61,684
Share option expense	207,964	18,112
	<u>13,311,429</u>	<u>7,361,331</u>

The average monthly number of employees during the period was as follows

	12 months ended 31 July 2013	12 months ended 31 July 2012
Directors	6	3
Staff	408	219
	<u>414</u>	<u>222</u>

Directors remuneration, included in staff costs

	£	£
Salaries	851,845	379,450
Pension contributions	75,640	58,350
	<u></u>	<u></u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	4	3
	<u></u>	<u></u>

Information regarding the highest paid director is as follows

	£	£
Salaries	206,000	153,500
Pension contributions	22,600	19,450
	<u></u>	<u></u>

3. Operating profit

Operating profit is stated after charging

	2013	2012
	£	£
Depreciation – owned assets	232,602	160,460
Auditors' remuneration	29,000	32,500
Grants	-	(9,031)
Operating leases	167,921	37,506

4. Interest payable and similar charges

	12 months ended 31 July 2013	12 months ended 31 July 2012
	£	£
Bank interest	-	885
Loan interest	83,364	-
VAT interest	-	7,763
Factoring interest	-	2,128
	83,364	10,776

5. Tangible fixed assets

	Improvements to property £	Computer software £	Fixtures and Fittings £	Computer Equipment £	Motor Vehicles £	Totals £
COST						
At 1 August 2011	31,779	184,071	114,480	244,051	21,505	595,886
Additions	12,699	76,222	119,352	147,780	-	356,053
Disposals	31,779	-	-	560	21,505	53,844
At 31 July 2012	12,699	260,293	233,832	391,271	-	898,095

DEPRECIATION

At 1 August 2011	5,475	55,297	40,698	83,330	597	185,397
Charge for period	2,130	39,381	42,283	71,887	4,779	160,460
Eliminated on disposal	7,064	-	-	12	5,376	12,452
At 31 July 2012	541	94,678	82,981	155,205	-	333,405

NET BOOK VALUE

At 31 July 2012	12,158	165,615	150,851	236,066	-	564,690
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	Improvements to property £	Computer software £	Fixtures and Fittings £	Computer Equipment £	Motor Vehicles £	Totals £
COST						
At 1 August 2012	12,699	260,293	233,832	391,271	-	898,095
Additions	42,425	151,392	9,736	200,959	-	404,512
At 31 July 2013	55,124	411,685	243,568	592,230	-	1,302,607

DEPRECIATION

At 1 August 2012	541	94,678	82,981	155,205	-	333,405
Charge for period	4,492	62,614	56,400	109,096	-	232,602
At 31 July 2013	5,033	157,292	139,381	264,301	-	566,007

NET BOOK VALUE

At 31 July 2013	50,091	254,393	104,187	327,929	-	736,600
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6. Fixed asset investments

	Shares in subsidiaries £
COST	
As at 1 August 2012	2,500,000
Additions	21,923,150
At 31 July 2013	<u>24,423,150</u>
AMOUNTS WRITTEN OFF	
At 1 August 2012	-
Charge for period	-
At 31 July 2013	<u>-</u>
NET BOOK VALUE	
At 31 July 2013	<u><u>24,423,150</u></u>

The additions in the year relate to the acquisition of Clouds Environmental Consultancy Limited, Aqua Veritas Consultancy Limited and Energy Information Centre Limited. Further details regarding acquisitions are disclosed in note 13 to the consolidated financial statements.

All subsidiary undertakings are wholly owned and all shares consist of ordinary shares only. All subsidiary undertakings operate in the United Kingdom and are registered in England and Wales.

7. Debtors

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	2,695,813	862,786
Other debtors	-	58,262
Prepayments and accrued income	8,385,057	1,337,332
Amounts owed by subsidiaries	-	-
	<u>11,080,870</u>	<u>2,258,380</u>
Amounts falling due after more than one year		
Amounts owed by subsidiaries	2,743,846	323,442
Prepayments and accrued income	8,405,437	4,082,261
	<u>11,149,283</u>	<u>4,405,703</u>

8. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	1,419,562	582,452
Social security and other taxes	3,082,000	1,314,668
Invoice finance creditor	-	24
Accruals and deferred income	9,915,153	2,475,921
Other creditors	20,836	-
	<u>14,437,551</u>	<u>4,373,065</u>

Included within accruals are amounts of £385,000 and £2,000,000 respectively, in relation to contingent consideration for the acquisitions of Clouds Environmental Consultancy Limited and Aqua Veritas Consulting Limited

9. Creditors: Amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to subsidiaries	281,294	-
Accruals and deferred income	7,720,320	2,215,365
Deferred government grants	-	-
Revolving credit facility	5,000,000	-
	<u>13,001,614</u>	<u>2,215,365</u>

The facility is secured by a floating charge over the Group's freehold property

10. Operating lease commitments

The following annual operating lease payments are committed to be paid

	Land and buildings	
	2013 £	2012 £
Expiring:		
Within one year	-	-
Between one and five years	246,687	-
In more than five years	-	320,675
	<u>246,687</u>	<u>320,675</u>
	Other operating leases	
	2013 £	2012 £
Expiring:		
Within one year	52,816	-
Between one and five years	100,849	61,904
In more than five years	-	-
	<u>153,665</u>	<u>61,904</u>

11. Secured debts

The following secured debts are included within creditors

	2013 £	2012 £
Invoice finance creditor	-	24

The invoice finance creditor is secured by the book debts of the company

12. Provision for liabilities

	2013 £	2012 £
Deferred tax	55,471	48,655

	Deferred tax £
Balance at 01 August 2012	48,655
Transfer from profit and loss account	6,816
Balance at 31 July 2013	55,471

The deferred tax has arisen due to the timing difference on accelerated capital allowances

13. Share capital

Allotted and issued:

	2013 £	2012 £
71,858,078 Ordinary shares of 0.01p each	71,858	61,426

See note 21 to the consolidated financial statements for details of the movements in called-up share capital

14. Reserves

	Retained earnings	Share premium account	Merger reserve	Share option reserve
	£	£	£	£
Balance brought forward	4,992,058	6,187,598	-	20,952
Profit for the financial year	4,750,346	-	-	-
Dividends paid	(1,112,770)	-	-	-
Share premium on issue of new shares	-	4,995,000	-	-
On acquisition	-	-	5,684,693	-
Share issue costs	-	(317,833)	-	-
Share option expense	-	-	-	207,964
Balance carried forward	8,629,634	10,864,765	5,684,693	228,916

15. Share-based payments

The company operates an equity-settled LTIP remuneration scheme for Directors and certain management. The only vesting conditions attached to the options are that the individual must remain an employee of the company for a minimum period. The company also issued warrants to third party companies during the period. LTIP options and warrants were issued on 12 June 2012. SAYE and CSOP options were issued on 23 November 2012.

The number of share options in existence during the year was as follows

LTIP

	Number of share options	2013 Weighted average exercise price
At 01 Aug	2,126,250	60p
Granted during the year	-	-
Forfeited during the year	25,000	60p
Exercised during the year	-	-
Outstanding at 31 July	2,101,250	60p
Exercisable at 31 July	-	-

SAYE

	Number of share options	2013 Weighted average exercise price
At 01 Aug	-	-
Granted during the year	746,090	67.6p
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at 31 July	746,090	67.6p
Exercisable at 31 July	-	-

CSOP

	Number of share options	2013 Weighted average exercise price
At 01 Aug	-	-
Granted during the year	1,072,058	85p
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at 31 July	1,072,058	85p
Exercisable at 31 July	-	-

Warrants

	Number of share options	2013 Weighted average exercise price
At 01 Aug	333,332	60p
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at 31 July	333,332	60p
Exercisable at 31 July	333,332	60p

Options are valued using the Black- Scholes option pricing model. The following information is relevant in the determination of the fair value of options and warrants granted during the year

Equity settled - LTIPS **2013**

Risk free interest rate	0.37%
Expected volatility	37.0%
Expected option life (in years)	3
Weighted average share price (in pence)	60
Weighted average exercise price (in pence)	60
Weighted average fair value of options granted (in pence)	15

Equity settled - SAYE **2013**

Risk free interest rate	0.64%
Expected volatility	39.0%
Expected option life (in years)	3.75
Weighted average share price (in pence)	89
Weighted average exercise price (in pence)	67.6
Weighted average fair value of options granted (in pence)	36

Equity settled - CSOP **2013**

Risk free interest rate	0.83%
Expected volatility	41.6%
Expected option life (in years)	5
Weighted average share price (in pence)	85
Weighted average exercise price (in pence)	85
Weighted average fair value of options granted (in pence)	32

Warrants **2013**

Risk free interest rate	0.26%
Expected volatility	33.0%
Expected warrant life (in years)	2
Weighted average share price (in pence)	60
Weighted average exercise price (in pence)	60
Weighted average fair value of warrants granted (in pence)	11

The share-based remuneration expense comprises

	2013	2013
Equity settled - LTIPS	107,200	18,112
Equity settled - SAYE	41,194	-
Equity settled - CSOP	40,634	-
Warrants	18,936	2,840
	207,964	20,952

16. Transactions with directors

The following loans to directors subsisted during the year ended 31 July 2013 and year ended 31 July 2012

	2013 £	2012 £
G Thompson		
Balance outstanding at start of year	-	1,234,137
Amounts advanced	-	1,758,714
Amounts repaid	-	(2,992,851)
Balance outstanding at end of year	-	-
G A Thompson		
Balance outstanding at start of year	-	156,756
Amounts advanced	-	66,427
Amounts repaid	-	(223,183)
Balance outstanding at end of year	-	-
A Richardson		
Balance outstanding at start of year	-	98,361
Amounts advanced	-	42,282
Amounts repaid	-	(140,643)
Balance outstanding at end of year	-	-

During the year payments totalling £99,303 (2012 £249,870) were made for services received from Hub Capital Partners Limited, in which R Feigen is a Director

17. Related party transactions

Related party transactions are disclosed in note 24 to the consolidated financial statements
There were no other transactions with related parties during the year