Getech Group plc

Annual Report and Accounts 2015

Leaders in the world of natural resource location

Getech is a leading petroleum and minerals consultancy, best known historically for its unique global gravity and magnetic data holdings, and more recently for the addition of its flagship knowledge base, "Globe".

With the acquisition of ERCL in April 2015, the Company has further extended its capabilities and now addresses a significantly broader range of exploration problems, as well as providing advisory services to national oil companies and governments.

Driven by an entrepreneurial vision, our Company provides geoscience data, interpretation products and services to oil and gas explorationists at a range of scales from global new ventures to exploration drilling.

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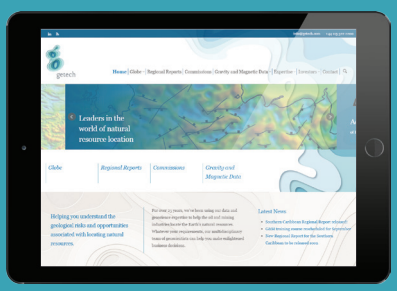
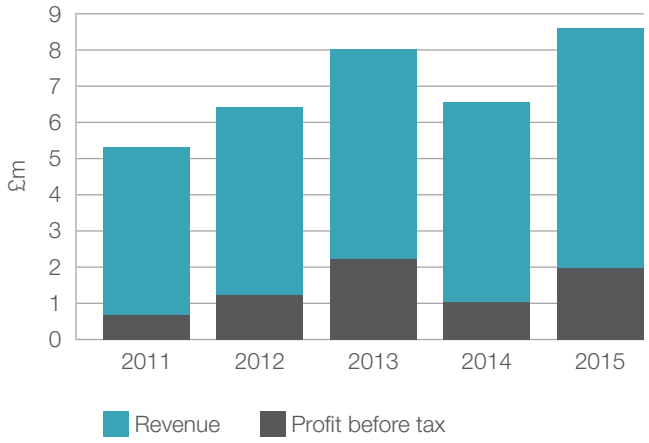


Scan with your QR code reader to learn more about Getech or visit www.getech.com

Getech news at a glance

At Getech, we offer a range of services dedicated to helping customers understand the geological risks and opportunities associated with locating natural resources.

In a market dominated by the impact of the low oil price, the Group has reported a strong financial year.



Contract wins

Largest ever new contract – $5m

In September 2014 Getech announced its largest ever single new contract, worth $5m.

This new proprietary services contract has a gross value of $5m and has been undertaken by the Company's Commissions division. The contract was awarded by the Angolan national oil company, Sonangol, which has responsibility for overseeing and managing the oil and gas exploration and production in the Republic of Angola.

The aim of the project is to generate structural and related interpretations for the geological basins of Angola. The work involves a wide range of Getech's skills including gravity and magnetic data interpretation, structural mapping, plate modelling, depositional modelling, palaeogeographic reconstruction and palaeodrainage analysis. The project also requires the integration of large data-sets including seismic and well data in order to generate a well-founded and comprehensive interpretation and framework for future exploration across the region.

First orders under existing national oil company umbrella contract

In December 2014 Getech announced that the first orders had been placed under the umbrella contract referred to in the announcement on 4 November 2014.

This contract is with a long standing client and provides a three year extension to the previous, annually renewable, contract. Under this extension the client may purchase Globe, Regional Reports, data and Commissions work. The total value of this first order was £400k, all of which was delivered during the current financial year.

Further national oil company multi-year contract

In April 2015 Getech announced a further significant multi-year contract with a major national oil company (NOC).

This contract is for a three year period with the NOC having the option to extend for a further two years. Getech progressed successfully through an extended tender process and the NOC confirmed that Getech is one of three companies contracted to provide basin evaluation services. It is anticipated that the NOC will offer by way of tender to these three companies several basin evaluation packages per year, and that the value of each package will, if won by Getech, significantly affect the Company's results and therefore be the subject of further announcements.

Acquisition of ERCL

In March 2015 Getech announced the execution of an agreement to acquire the entire issued share capital of ERCL Limited, an upstream oil and gas consultancy.

Getech has previously stated a strategic aim of acquiring companies with clear commercial fit and synergies, in parallel with the strategic aim of organic growth.

Getech's market position has historically been focused on global and regional scale work, which are relatively early in the exploration workflows. However, Getech has been extending its work towards basin and block scale evaluation, where there is greater expenditure and more focus on drilling risk reduction. ERCL's skills, experience and reputation are primarily in the use and application of seismic and well data in all stages of the workflow and hence strongly complement Getech's current capabilities and market position.

The Directors believe the new combined Group will be able to offer a significantly more comprehensive range of services and products, addressing exploration and development issues across a broader spectrum of client workflows. In particular ERCL brings to the Group a proven track record of working with governments and national oil companies.

Read more about our new acquisition on **page 05**

Chairman's statement

Dr Stuart Paton

Non-executive Chairman

Highlights of the Chairman's Statement

- Revenue £8,639k (up 32% from £6,593k) and profits £1,992k (up 99% from £1,001k)
- Proposed final dividend for the year ended July 2015 of 1.74p giving full year dividend for the year ended July 2015 of 2.2p (2014: 2.2p)
- Cash level £4,726,734 at 31 July 2015

I am pleased to make my fifth report as Chairman on the tenth full year results since its admission to AIM, of Getech Group plc and its subsidiary companies ("Getech" or "the Group"), for the year ended 31 July 2015. Getech is a geoscience services business specialising in the provision of data, studies and services to the oil, gas and mining exploration sectors.

Results

I report a Group profit before tax of £1,992,236 (2014: £1,000,816) after interest receivable of £13,554 (2014: £32,914) on revenue of £8,638,588 (2014: £6,592,798). The post-tax profit was £1,812,996 (2014: £1,575,228) giving earnings per share of 5.77p (2014: 5.21p). These are a strong set of results and demonstrate the continued growth of the Company.

Dividends

Getech is proposing a final dividend of 1.74p per share in respect of the year to 31 July 2015 (2014: 1.76p) in addition to the interim dividend of 0.46p per share announced in March 2015. The final dividend will be paid on 17 December to shareholders on the register of members on 20 November.

Business review

For the exploration and production (E&P) sector, the financial year 2014–15 has proved to be even more challenging than the previous financial year. The reduction in exploration expenditure we had observed in 2013–14 has been followed by a very significant drop in the oil price in the last year. This oil price drop has led to significant reductions in capital expenditure across the whole E&P sector, and major redundancy rounds in many companies. The reductions in capital expenditure affect exploration spend most quickly and most dramatically. A wide range of service companies have been severely impacted, both in terms of income and profits, with a number going bankrupt and consolidation taking place across the sector.

Against this very difficult backdrop, Getech has performed well in the last financial year. The Company has doubled its profits and increased revenue by 32%. Under the challenging circumstances affecting the sector, these are extremely strong figures and stand out relative to the rest of the sector.

The acquisition of ERCL in April 2015 contributed to our growth in the year. This Henley-based consultancy provides services which are very complementary to the existing Getech offering. In particular, the expertise in seismic data and in planning and delivering field developments, significantly broadens the services we can provide. Further, the consideration paid, through a mixture of cash which was partly funded through new bank debt, shares, and contingent payments, reduced the up-front payment and aligns the key ERCL staff to the success of the combined Group.

"Globe continues to provide an environment that encourages increased interaction with our clients, which is essential to the longer-term benefits."

Outlook

There is clearly ongoing uncertainty in relation to the oil price although most analysts are suggesting a 'lower for longer' scenario with a key theme being that companies need to be 'fit for $50'. The industry has already responded by reducing the cost profile. For example, seismic and rig rates are substantially lower than one year ago which should encourage companies to continue exploration. In the medium term, as has happened in previous cycles, the oil price will presumably increase due to supply constraints caused by the reduced investment we have witnessed in the last year. However, there remains considerable uncertainty about the timescale for the recovery of the oil price.

At the same time, the deep cuts to staffing in many companies, including the international oil companies (IOCs) and large US independents, mean that their capability to undertake exploration is severely curtailed. This provides a real opportunity for Getech to provide focused, high quality advice to these companies and the last year has demonstrated that, even in challenging times for the sector, we can continue to develop a robust business. Nevertheless, in the short-term there remains considerable uncertainty about the state of the market and its impact on our trading and accordingly we believe the year ahead will be trading substantially below current market expectations. In this context we will seek to mitigate the immediate effects of the lower oil price while at the same time pursuing attractive opportunities as and when they are available to grow our business in the medium to long term.

There are four areas where we continue to believe we have a strong foundation for maintaining profitability and growing our business in the longer term.

Firstly, our Globe framework, which entered its second phase in August 2014, has seen continued support from the larger E&P companies. They clearly see the value of Getech's support in improving their exploration performance. Globe continues to provide an environment which encourages increased interaction with our clients, which is essential to the longer-term benefits in terms of focused consultancy work.

Secondly, we have seen continued demand for proprietary projects, where we can leverage the ERCL acquisition to provide a broader range of advice. The ERCL acquisition provides capability in seismic interpretation, well planning, field development and asset management, which mitigates to some extent the effect of low oil price on large-scale exploration.

Thirdly, our relationships with a number of national oil companies and governments, which are generally less susceptible to oil price fluctuations, provide a degree of robustness. Our ongoing relationship with Sonangol and ERCL's experience in managing licence rounds demonstrate our strengths in these areas.

Fourthly, our strong knowledge base and financial robustness allow us to look at new opportunities. We are in the process of developing new business streams, which build on our core strengths and which we hope will be major revenue generators in the medium term. Following the successful completion of the ERCL acquisition, we are also actively looking at further acquisition opportunities, which will grow our core areas of expertise.

Finally, I would like to say how pleased I am to continue to be involved with the Company and to thank the staff and my fellow Directors for all their hard work and dedication. I am also very pleased to welcome the ERCL staff based in Henley, who are a great addition to the Getech team. The whole organisation has shown great fortitude and delivered great results in challenging circumstances.

Dr Stuart Paton
Non-executive Chairman

Operating review

Raymond Wolfson

Chief Executive Officer

Highlights of the Operating Review

- Significant increase in income and profit during a year in which the global oil and gas market suffered badly, with major job losses
- Revenue £8,639k (up 32% from £6,593k) and profits £1,992k (up 99% from £1,001k)
- Acquisition of ERCL in March 2015
- Largest ever contract with Sonangol for $5m
- Two other contracts with national oil companies, one of which generated income in the year

I report that in our tenth year as a public quoted company, Getech Group plc ("Getech" or "the Group") returned a pre-tax profit of £1,992,236 (2014: £1,000,816) for the year ended 31 July 2015.

Business setting

We reported that the previous year to July 2014 was difficult for the E&P sector. The year to July 2015 has seen a significant drop in oil prices, and subsequent major job losses in both oil companies and service companies. The high seismic and drilling costs, and poor exploration success that had affected the sector in the prior year were exacerbated by the oil price, which fell from over $100 at the start of August 2014 to below $50 by early January 2015. Although the oil price recovered slightly for a brief period in the first quarter of 2015, it subsequently fell again and has since remained close to or below $50. There remains considerable uncertainty as to when the oil price will significantly increase.

Business activities

The strategy to increase our resilience against market volatility has underpinned the performance in the current year. This comprised two main elements: significant longer-term contracts to generate increased forward visibility of income; and a focus on relationships with national oil companies, which tend to react less to changes in the oil market.

In September we announced our largest ever contract, which was $5m of consultancy work for Sonangol, the Angolan national oil company. This involved generating structural and related interpretation for all the Angolan basins. The project has been completed to schedule, and as indicated in the announcement in September 2014, the majority of the income was recognised within the year to July 2015.

We also announced in November a further umbrella contract with a major national oil company, and in December announced the first order under this contract amounting to £400k.

In April 2015, we announced that we had successfully passed through the tender process with a further major national oil company, under which we are one of three qualified bidders for a three year programme comprising several basin work packages per year, each of which we believe would be significant.

We have continued the Globe development programme during the year. While we continue to enhance the data content, our Globe clients have been particularly pleased by the software that we have developed to improve the user experience. Globe continues to be our global exploration database and is actively used to add value to new sub-global products and proprietary contracts. It is essential that Globe is built with a balance between primary data (i.e. data measurements) and interpreted data. Our staff continue to build the interpretations but we have also added two significant third party data-sets – a well data-set comprising more than a million North American wells, and a seismic data-set which covers a number of areas of interest across the world. These help to provide the important assurance to Globe clients that our work is controlled by independent data.

In March 2015, we announced the agreement to acquire ERCL, which is a consultancy company based in Henley-on-Thames. ERCL is highly complementary to Getech both in terms of its skill-sets and in terms of its position in client exploration workflows. Getech has historically been known for gravity and magnetic data, and for geological work at global and regional scale. ERCL has a range of geoscientists of various disciplines, but has a particularly strong seismic interpretation team, which had previously been a gap in Getech's resources. ERCL typically operates at a smaller geographical scale and at stages in client workflows which are later than the Getech focus. With some clients, they also directly plan the drilling programmes. This means that Getech is now able to offer a significantly broader coverage of client workflows. In addition, ERCL works closely with governments and national oil companies providing, amongst other things, strategic and advisory services.

ERCL was formed in January 2014 by merger of the businesses of two existing companies, and in its first year of trading it delivered income of £3.8m with profit before tax of approximately £1.2m. The reaction from our clients to this acquisition has been very positive, particularly as regards the strategic synergies.

The ERCL acquisition also fits with our strategy of long-term relationships with national governments, with ERCL recognised for its experience in licence round management.

In prior years one of our main constraints was the inability to recruit experienced staff. However, with the market conditions during the year we have been able to recruit a number of key staff. This, combined with the resources in ERCL, has enabled us to significantly extend our capabilities and credibility into new areas of working.

New acquisition: ERCL

ERCL is based in Henley-on-Thames, UK, and was formed in January 2014 by a merger of the businesses of two companies – Exploration Reservoir Consultants Limited and SAER Limited. It is a specialist upstream oil and gas consultancy currently employing 26 staff and supported by a network of specialist associates who further enhance its capabilities.

The Directors of ERCL are all well respected within the industry and each brings key technical skills developed from having operated since 1971, in virtually every global petroleum province. Collectively the Directors and staff of ERCL have been involved in projects in over 100 countries.

ERCL is a high technology company and has more than $1,000,000 of specialist oil industry geoscience software under licence that is utilised by its staff to analyse technical data on behalf of its clients. The Directors believe its investment in technology, innovative approach and creativity are well respected and are examples of the company's key differentiators in the industry.

ERCL works closely with governments and national oil companies providing strategic and advisory services, together with associated licence round management, capacity building and training, data management and multi-client products.

ERCL also provides geotechnical expertise to oil companies for exploration and development projects, and to services companies on a proprietary basis. It also applies this expertise to create new multi-client data projects.

ERCL

Operating review *continued*

"We acquired ERCL as part of our growth strategy. It not only adds new skills and income streams, but also a number of synergies. We can now offer a more comprehensive service to our current clients, extending into later stages of the exploration workflow."

The future

While the previous two years have been very difficult for the oil and gas market in general, we enter the new year with increased net assets and with increased cash. This gives us a firm foundation from which we can continue to execute a long-term growth strategy.

We have continued to enhance Globe as an exploration data-set and to increasingly realise the value from it in a number ways. We anticipate that the work in the current three year development period will continue to add to its intrinsic value as well as increasingly enabling us to realise value directly through its use at a variety of scales and in a range of product types.

In line with the existing strategy, we aim to increase the level of business with national oil companies (NOCs). We recently recruited an extremely experienced International Business Development Manager whose role is renewing and establishing relationships with a range of NOCs and governments, as well as seeking new government data-sets that may become available for use in Globe. The acquisition of ERCL further strengthened this strategy through their existing links and reputation with a number of governments and NOCs.

We acquired ERCL as part of our growth strategy. It not only adds new skills and income streams, but also a number of synergies. We can now offer a more comprehensive service to our current clients, extending into later stages of the exploration workflow. There are real opportunities to cross-sell to existing clients, and to provide more efficient overall marketing and sales for both companies. ERCL is based in Henley-on-Thames, which is very close to London and many companies working in the oil and gas sector. While Leeds has been a very successful location, it is outside the mainstream areas of the industry and ERCL brings an established base in proximity to large parts of the UK oil and gas industry.

Finally, while the market is at best uncertain, we are still regularly engaged with our clients and have a number of significant sales proposals awaiting approval. Client budgets are clearly under significant pressure, but even where there is little current money there has still been a willingness to consider proposals for inclusion in 2016 budgets. While there remains significant uncertainty about the short term and we cannot predict how the market will develop during 2016, we remain convinced that our products and staff are well regarded and satisfy a clear industry need. As such, whilst we anticipate a slow start to 2016, we remain confident about the long-term prospects for the extended Getech Group.

Raymond Wolfson
Chief Executive Officer

Principal risks and uncertainties

Internal control and risk management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. The Group maintains systems which are designed to provide reasonable but not absolute assurance against material loss and to manage rather than eliminate risk.

The key features of the Group's systems of internal control are as follows:

- management structure with clearly identified responsibilities;
- production of timely and comprehensive historical management information;
- detailed budgeting and forecasting;
- monthly analysis of risks and threats reviewed by the Board at each of its meetings; and
- day-to-day hands-on involvement of the Executive Directors.

The key financial indicators used by the Directors to monitor the performance of the Group are revenue, operating profit and gross cash.

The Directors set out below the principal risks facing the business:

Risk	Description	Mitigation	Change
Liquidity risk	The Group's cash reserves remained strong during the year. Internal cost levels rose during the year due to the increase in staff numbers but this reflects the increasing workload.	The key risk assessment remains in relation to future income levels, which are monitored on a monthly basis.	↗ Increased
Financial risk	The most important components of financial risk are market borrowing interest rate risk, credit risk and currency risk.	These are mitigated by regular monitoring of market rates, by the creditworthiness of the customer base and by the policy of matching, as far as possible, the timing of settling invoices where sales and purchases are made in currencies other than pounds sterling.	↗ Increased
Staff engagement and retention	Recruitment and retention of specialist staff are key to the success of the business.	The Group aims to ensure that it provides stimulating work in an attractive environment which, together with its employment policies and remuneration packages, is designed to attract and retain the high quality staff who are the basis for its success.	↗ Increased
Systems and infrastructure	The Group is reliant on its IT infrastructure in order to trade. A failure in these systems could have a significant impact on its business.	The Group continues to invest in new and updated IT infrastructure to improve the availability, resilience and performance of its systems. Controls are in place to maintain the integrity and efficiency of its systems, which are regularly backed up, updated and tested.	↘ Decreased
Oil price	During the financial year, there has been a significant drop in the price of oil.	The Directors and Executive team meet regularly to monitor the effect on demand for our products and services and refine our strategy to mitigate the effects of a long-term reduction in the price of oil.	↗ Increased

Approval of the Strategic Report:
The Strategic Report on pages 1 to 7 was approved by the Board on 3 November 2015.

Dr Stuart Paton
Director

Directors

Dr Stuart Paton *(aged 48)*

Non-executive Chairman

Stuart currently holds a variety of advisory roles, including with Lime Rock Partners LLP, an oil and gas focused private equity fund, and is a board member of Transform Exploration Pty Ltd. He was previously CEO of Dana Petroleum, a FTSE 250 company, and prior to that he was Technical and Commercial Director of Dana. He delivered a number of acquisitions for Dana, which was taken over by Korean National Oil Corporation. Before joining Dana he held a number of roles in Shell. He has a BA in Earth Sciences and a PhD in Geology from Cambridge University.

Audit Committee, Remuneration Committee

Peter Stephens *(aged 60)*

Non-executive Director

Peter is currently Chairman of ASX quoted Etherstack, Chairman and CIO of Cavendish Ware, and a Director of various private companies. He also runs a venture capital practice. He was Chairman of Getech on flotation on AIM in 2005 until 2013 and remains a Director. Peter has recently become Chairman of BLL Bespoke, a long haul holiday specialist currently focused on Africa, and GapCap, an invoice financing company. He was a Director of Tristel plc from flotation on AIM in 2005 until 2013 and Chairman and founder. He was a shareholder of Scott Dunn, until sold in 2014. He was previously Head of European Equities Sales at Salomon Brothers and Crédit Lyonnais. He has an MA in Jurisprudence from Oxford University and qualified as a barrister in 1978.

Audit Committee

Dr Paul Markwick *(aged 51)*

Technical Director

Paul has a BA in Geology from St. Edmund Hall, Oxford, and a PhD in Geophysical Sciences from the University of Chicago. He worked for two years at BP's Research Centre in Sunbury on Thames before moving to Chicago, where he studied with Professor Fred Ziegler's oil industry sponsored Palaeogeographic Atlas Project. Paul is also a Research Fellow at the universities of Leeds and Bristol.

Raymond Wolfson *(aged 61)*

Chief Executive Officer

Raymond has a BA in Physics from Magdalen College, Oxford. He worked for 13 years in BNFL in various management consultancy and commercial roles but with the industry decline in 1988 left to retrain as a Chartered Accountant, qualifying with Ernst & Young in 1991. He then joined the University of Leeds technology transfer company where he worked with and created many technology businesses, acting as Chairman or Non-executive Director for more than 20 companies.

Colin Glass *(aged 72)*

Non-executive Finance Director

Colin is a Chartered Accountant and a Partner in Winburn Glass Norfolk, Chartered Accountants. He has been a founder Director and shareholder in a number of private and AIM-quoted companies where, as a Non-executive Director, he assisted in their flotation. He is a Non-executive Director of the British Business Bank, a Government-backed financial institution.

Audit Committee, Remuneration Committee

Dr Alison Fielding *(aged 51)*

Non-executive Director

Alison holds an MBA from Manchester Business School, a PhD in Organic Chemistry and a first class degree in Chemistry from the University of Glasgow. Early in her career she spent five years at McKinsey & Co. and more recently, while at IP Group, has sat on the board of, and advised, several early stage and quoted technology companies. Alison is currently a Director of several other companies.

Remuneration Committee

Professor Paul Carey *(aged 48)*

Marketing and Sales Director

Paul has a BSc in Geology and a PhD from Queen's University Belfast where he lectured until joining Badley Ashton & Associates as a Reservoir Technologist. He was then appointed to the Chair in Petroleum Geology at the University of the Western Cape with academic, commercial and consulting positions. He then joined Fugro Robertson, taking roles including Head of Geochemistry and Head of Global Multi-client Products in Fugro Data Solutions. After a short return to Cape Town he joined Getech in 2011.

Huw Edwards *(aged 59)*

Director

Huw has a BSc in Geology from the University of Manchester and an MSc in Geophysics from Imperial College. He started his career at Amoco before joining Superior Oil. He then joined Exploration Consultants Limited as Chief Geophysicist before moving to BG Group as Manager of Geophysics. He then joined PGS as Project Director before starting up the original ERCL in 2010. In January 2014 he merged the original ERCL with part of the business of SAER Limited in a new combined company which was acquired by Getech in April 2015.

Corporate governance report

The Group is committed to high standards of corporate governance, so far as practicable and appropriate for a Group of its size and nature, and as such has given careful consideration to the principles of the UK Corporate Governance Code ("the Code").

The Group does not comply with the Code. However, we have reported on our corporate governance arrangements by drawing upon best practice available, including those aspects of the Code we consider to be relevant.

Board structure and meetings

During the year, the Board of Directors included four Non-executive Directors and three Executive Directors up to 7 April 2015, when Huw Edwards was appointed, after which there were four Executive Directors. The Non-executive Directors ensure a balance to the Board by constructively challenging the Executive Directors.

The Board met on seven occasions during the year and has met twice since the year end. All Directors attended all the Board meetings during the year, with the exception of Peter Stephens who attended six and Professor Paul Carey who attended five.

The Board is responsible for approving overall strategic, financial and operational matters and for the identification of risks faced by the Group. Board approval is required for certain matters, the most significant of which are:

- the Annual Report and Accounts;
- the dividend policy; and
- acquisitions and alliances policies.

The Board delegates certain matters regarding audit and remuneration to its principal committees.

Audit Committee

The Audit Committee comprises Colin Glass FCA (Chairman), Dr Stuart Paton and Peter Stephens.

The Audit Committee deals with various matters on behalf of the Board during the year, the most significant of which are:

- to monitor the Group's internal financial controls and to assess their adequacy;
- to review key estimates, judgements and assumptions applied by management in preparing the published financial statements;
- to review the annual appointment of an external auditor;
- to monitor the safeguards in place to ensure the independence and objectivity of the auditor in respect of non-audit services; and
- to review the risks and returns associated with significant new contracts.

The Committee receives reports from the Group's management and from the external auditor relating to the annual and interim accounts and relating to the adequacy of internal financial controls.

The Committee also reviews the requirement for an internal audit function and provides recommendations to the Board in this respect. Given the current size and composition of the Group, the Audit Committee is currently of the opinion that an internal audit function is not required, but this will continue to be monitored.

The Audit Committee meets each year with the external auditor and on other occasions as necessary.

Remuneration Committee

The Remuneration Committee comprises Dr Alison Fielding (Chairman), Dr Stuart Paton and Colin Glass.

The primary responsibility of the Remuneration Committee is to monitor the performance of the Executive Directors and to make recommendations to the Board in relation to their remuneration and terms of service.

The Remuneration Committee meets a minimum of once per year and on other occasions as necessary to discuss and set the remuneration of the Executive Directors.

Nomination Committee

The Company does not have a formally constituted Nomination Committee. Such matters are dealt with by the Non-executive Directors and the whole Board as appropriate.

Investor relations

The Group enters into dialogue with both institutional and private investors at the Annual General Meeting and throughout the year on an ad hoc basis. Such ad hoc communications are dealt with either by the Chief Executive Officer or the Chairman.

At the Annual General Meeting, the Chairman presents a review of the results and provides a commentary on current business activity. It is the Directors' intention that all shareholders will receive 20 working days' notice of the Annual General Meeting. The Chairmen of the Audit and Remuneration Committees are made available to answer any investor's questions.

The Group publishes its Annual Report and Interim Report, along with other information, on its website at www.getech.com.

Report of the Directors

The Directors present their report and financial statements for the year ended 31 July 2015.

Results and dividends

The profit for the year before taxation was £1,992,236 (2014: £1,000,816). The revenue for the year was £8,638,588 (2014: £6,592,798). This result is discussed further in the Chairman's Statement and the Operating Review.

The Directors have considered the trading position of the Group. The market for exploration services was difficult throughout the year.

On the basis of a value in use assessment, the Directors do not believe that there is a permanent impairment in the valuation of the property and land owned by the Parent Company.

The Directors recommend a dividend of 1.74p per share (2014: 1.76p).

Directors

The Directors of the Parent Company who served during the year were:

Professor Paul Carey
Dr Alison Fielding
Colin Glass
Dr Paul Markwick
Dr Stuart Paton
Peter Stephens
Raymond Wolfson
Huw Edwards (appointed 7 April 2015)

Substantial shareholders

The Parent Company has been notified at 18 September 2015 of the following interests in excess of 3% of its issued Ordinary Share capital. Please see the table below:

	Number of Ordinary Shares	% of issued share capital
IP Group plc	7,413,943	22.5
Professor J D Fairhead	4,208,474	12.8
Dr C M Green	1,797,080	5.5
Hargreave Hale	1,250,000	3.8
Quilter Cheviot	1,215,000	3.7
Hargreaves Lansdown	1,096,704	3.3
Mr P Stephens	1,038,000	3.2

Corporate governance

See separate Corporate Governance Report.

Going concern

The Directors have instituted regular reviews of trading and cash flow forecasts and have considered the sensitivity of these forecasts to different assumptions about future income and costs. With the existing cash levels and continued prospects for profitable trading, the Directors are fully satisfied that the Group is a going concern and will be able to continue trading for the foreseeable future.

Directors' indemnity

Qualifying third-party indemnity provisions (as defined in Section 234 of the Companies Act 2006) are in force for the benefit of Directors.

Auditor

Grant Thornton UK LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint Grant Thornton UK LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Colin Glass

Company Secretary
3 November 2015

Directors' responsibilities

In respect of the preparation of the financial statements

The Directors are responsible for preparing the Strategic Report, Annual 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 consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and to prepare the Parent Company financial statements under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and of the Group for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors confirm that:

- so far as each Director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report

To the members of Getech Group plc

We have audited the financial statements of Getech Group plc for the year ended 31 July 2015, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the Parent Company balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity 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 (IFRS) as adopted by the European Union. The financial reporting framework that has been applied in the 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 the auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 12, 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 (APB'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 July 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Parent Company 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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.

Andrew Wood
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Leeds
3 November 2015

Consolidated statement of comprehensive income

For the year ended 31 July 2015

	Note	2015 £	2014 £
Revenue	5	8,638,588	6,592,798
Cost of sales		(3,001,898)	(2,126,433)
Gross profit		5,636,690	4,466,365
Administrative costs		(3,649,666)	(3,497,841)
Operating profit	6	1,987,024	968,524
Finance income	8	13,554	32,914
Finance costs	9	(8,342)	(622)
Profit before tax		1,992,236	1,000,816
Income tax (expense)/credit	10	(179,240)	574,412
Profit for the year attributable to owners of the Parent		1,812,996	1,575,228
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on translation of foreign operations		19,807	(95,030)
Total comprehensive income for the year attributable to owners of the Parent		1,832,803	1,480,198
Earnings per share			
Basic earnings per share	12	5.77p	5.21p
Diluted earnings per share	12	5.61p	4.95p

All activities relate to continuing operations.

The accompanying notes on pages 18 to 43 form an integral part of these financial statements.

Consolidated statement of financial position

As at 31 July 2015
Company registration number: 2891368

	Note	2015 £	2014 £
Assets			
Non-current assets			
Property, plant and equipment	13	2,852,508	2,747,916
Goodwill	14	3,131,538	—
Intangible assets	15	2,046,499	513,476
Deferred tax assets	10	159,127	311,644
	5	8,189,672	3,573,036
Current assets			
Inventories	16	292,005	180,092
Trade and other receivables	17	4,235,047	2,850,538
Current tax assets	10	117,522	812,767
Cash and cash equivalents	18	4,726,734	3,422,594
		9,371,308	7,265,991
Total assets		17,560,980	10,839,027
Liabilities			
Current liabilities			
Borrowings	19	266,132	—
Trade and other payables	20	4,628,221	2,707,710
Current tax liabilities	10	395,155	—
		5,289,508	2,707,710
Non-current liabilities			
Borrowings	19	765,665	—
Trade and other payables	20	979,785	—
Deferred tax liabilities	10	319,062	321,452
		2,064,512	321,452
Total liabilities		7,354,020	3,029,162
Net assets		10,206,960	7,809,865
Equity			
Equity attributable to owners of the Parent			
Share capital	23	81,824	75,790
Share premium account		3,036,863	3,012,960
Merger relief reserve		1,159,055	—
Capital redemption reserve		6	6
Share option reserve		155,492	125,948
Currency translation reserve		(110,950)	(130,757)
Retained earnings		5,884,670	4,725,918
Total equity		10,206,960	7,809,865

The financial statements on pages 14 to 43 were approved by the Board of Directors on 3 November 2015.

Dr Stuart Paton
Director

The accompanying notes on pages 18 to 43 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 July 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit before tax		1,992,236	1,000,816
Share-based payment charge		58,912	21,186
Depreciation and amortisation charges	13/14	366,268	239,704
Impairment of intangible assets		298,110	—
Fair value adjustments		(303,887)	—
Finance income		(13,554)	(32,914)
Finance costs		8,342	622
Exchange adjustments		(59,058)	44,686
Increase in inventories		(111,913)	(14,092)
Decrease/(increase) in trade and other receivables		202,006	(727,154)
Increase/(decrease) in trade and other payables		483,349	(833,048)
Cash generated/(used in) from operations		2,920,811	(300,194)
Income taxes paid		456,650	(180,226)
Net cash generated/(used in) from operating activities		3,377,461	(480,420)
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(258,856)	(106,897)
Purchase of intangible assets		(128,090)	—
Development costs capitalised	14	(976,831)	(82,867)
Acquisition costs, net of cash received		(1,130,619)	—
Funds transferred into fixed-term deposits		—	500,000
Interest received		13,554	32,914
Net cash (used in)/generated from investing activities		(2,480,842)	343,150
Cash flows from financing activities			
Proceeds from issue of share capital		24,495	20,339
New term loan		1,100,000	—
Repayment of long-term borrowings		(68,203)	(119,048)
Equity dividends paid	11	(683,610)	(616,538)
Interest paid		(8,342)	(622)
Net cash generated from/(used in) financing activities		364,340	(715,869)
Net increase/(decrease) in cash and cash equivalents		1,260,959	(853,139)
Cash and cash equivalents at beginning of year		3,422,594	4,357,927
Exchange adjustments to cash and cash equivalents at beginning of year		43,181	(82,194)
Cash and cash equivalents at end of year	17	4,726,734	3,422,594

The accompanying notes on pages 18 to 43 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 July 2015

	Share capital £	Share premium account £	Merger relief reserve £	Capital redemption reserve £	Share option reserve £	Currency translation reserve £	Retained earnings £	Total £
At 1 August 2013	75,319	2,993,092	—	6	122,717	(35,727)	3,749,273	6,904,680
Dividends	—	—	—	—	—	—	(616,538)	(616,538)
Issue of capital under share-based payment options	471	19,868	—	—	(17,955)	—	17,955	20,339
Share-based payment charge	—	—	—	—	21,186	—	—	21,186
Transactions with owners	471	19,868	—	—	3,231	—	(598,583)	(575,013)
Profit for the year	—	—	—	—	—	—	1,575,228	1,575,228
Other comprehensive income								
Currency translation differences	—	—	—	—	—	(95,030)	—	(95,030)
Total comprehensive income for the year	—	—	—	—	—	(95,030)	1,575,228	1,480,198
At 31 July 2014	75,790	3,012,960	—	6	125,948	(130,757)	4,725,918	7,809,865
Dividends	—	—	—	—	—	—	(683,612)	(683,612)
Issue of capital under share-based payment options	592	23,903	—	—	(29,368)	—	29,368	24,495
Share-based payment charge	—	—	—	—	58,912	—	—	58,912
Issue of share capital	5,442	—	1,159,055	—	—	—	—	1,164,497
Transactions with owners	6,034	23,903	1,159,055	—	29,544	—	(654,244)	564,294
Profit for the year	—	—	—	—	—	—	1,812,996	1,812,996
Other comprehensive income								
Currency translation differences	—	—	—	—	—	19,807	—	19,807
Total comprehensive income for the year	—	—	—	—	—	19,807	1,812,996	1,846,506
At 31 July 2015	81,824	3,036,863	1,159,055	6	155,492	(110,950)	5,884,670	10,206,960

Notes to the consolidated financial statements

For the year ended 31 July 2015

1 Nature of operations

The principal activity of Getech Group plc and its subsidiary companies Geophysical Exploration Technology Inc. and ERCL Limited (collectively "Getech" or "the Group") is the provision of gravity and magnetic data, services and geological studies to the petroleum and mining industries to assist in their exploration activities.

2 General information

Getech Group plc is the Group's ultimate Parent Company ("the Parent Company"). It is incorporated in England and Wales and domiciled in England (CRN: 2891368). The address of its registered office is Convention House, St Mary's Street, Leeds LS9 7DP. Its principal place of business is Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ. Getech Group plc shares are admitted to trading on the London Stock Exchange's AIM.

3 Basis of preparation

These consolidated financial statements ("the financial statements") have been prepared in accordance with International Financial Reporting Standards (IFRS) in issue as adopted by the European Union. IFRS include interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements have been prepared under the historical cost convention.

The accounting policies set out below have been applied consistently.

The Parent Company financial statements have been prepared using United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and are on pages 44 to 50.

The Directors have instituted regular reviews of trading and cash flow forecasts and have considered the sensitivity of these forecasts to different assumptions about future income and costs. With the sound cash levels and continued prospects for profitable trading, the Directors are fully satisfied that the Group is a going concern and will be able to continue trading for the foreseeable future.

4 Summary of accounting policies

4.1 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and of its subsidiary undertakings drawn up to 31 July 2015. A subsidiary is an entity controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

4.2 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods and services provided, excluding VAT and comparable overseas taxes. Revenue from goods and services falls into the three categories below:

Proprietary reports and commissions

In respect of contracts which are long term in nature and contracts for proprietary reports and other commissions, revenue is recognised according to the value of work done in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion. Where the outcome of contracts cannot be estimated reliably or anticipated revenue is less than the anticipated costs, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Multi-client studies

For sales of data and completed project studies, revenue is recognised when the transfer of risk and reward is made to the customer, on dispatch unless otherwise agreed.

4 Summary of accounting policies *continued*

4.2 Revenue continued

Multiple element contracts

Where contracts for multiple element products with staged deliverables, such as Globe and Multi-Sat, involve delivery of several different elements, which are not fully delivered or performed by the year end, revenue is recognised based on the proportion of the fair value of the elements delivered to the fair value of the respective overall contracts. Where the outcome of contracts that are long term in nature and contracts for ongoing deliverables cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from multiple element contracts is recognised after separating the contract income as follows:

- completed project elements and specific studies that are immediately deliverable – revenue is recognised when the transfer of risk and reward is made to the customer, on dispatch unless otherwise agreed;
- specific studies that are to be completed in the future – revenue is recognised in line with the accounting treatment for "proprietary reports and commissions"; and
- project elements that are to be delivered from development work that is yet to be completed – revenue is recognised when the transfer of risk and rewards is made to the customer, on dispatch unless otherwise agreed.

4.3 Inventories

Costs associated with contracts that are long term in nature are included in inventories to the extent that they cannot be matched with contract work accounted for as revenue. Amounts included in work in progress are stated at cost, including absorption of relevant overheads, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

In assessing the costs associated with deliverables that are long term in nature the following assumptions and estimates are made:

- at the commencement of each deliverable an assumption is made concerning the likely revenue from potential sales of that project. Regular impairment reviews reconsider whether that revenue remains achievable; and
- costs are carried forward only to the extent that they do not exceed estimates of the recoverable amounts.

There is no inventory other than in relation to contracts that are long term in nature.

4.4 Foreign currency translation

The Group's financial statements are presented in pounds sterling, which is also the functional currency of the Parent Company.

Where supplies are obtained or sales are made on terms denominated in foreign currency, such transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Exchange gains or losses arising on the settlement of monetary items, or the translation of monetary items, are included in profit or loss from operations.

The assets and liabilities of the Group's overseas subsidiary undertaking are translated into the presentation currency using exchange rates prevailing at the end of the reporting period. Translation differences in respect of the assets and liabilities of the foreign subsidiary are accounted for in the Group's currency translation reserve within equity. Income and expenses of this undertaking are translated at the average exchange rates for the period which approximate to the actual rates on transaction dates. Exchange differences arising, if any, are recognised in other comprehensive income and the Group's currency translation reserve.

4.5 Employee benefits

Pension schemes

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the schemes.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

4 Summary of accounting policies *continued*

4.5 Employee benefits continued

Share options

Where share options are granted a charge is made to profit or loss and a reserve is created to record the fair value of the awards in accordance with IFRS 2 'Share-based Payment'. A charge is recognised in profit or loss in relation to share options granted based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, the future risk-free interest rate and exercise behaviour, and is based on the Black Scholes method. When share options are exercised there is a transfer from the share option reserve to retained earnings.

At the end of each reporting period the Group revises its estimate of the number of share options that are expected to vest, taking into account those which have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the share option reserve. If the terms and conditions of share options are modified before they vest, the change in the fair value of the share options, measured immediately before and after the modification, is charged to profit or loss over the remaining vesting period.

4.6 Research

Research expenditure is charged to profit or loss in the period in which it is incurred.

4.7 Lease contracts

Operating leases exist where the lessee of a leased asset does not substantially bear all the risks and rewards relating to the ownership of the asset. Economic ownership of the leased asset is not transferred to the lessee. Payments made under operating leases are charged to profit or loss on a straight line basis over the lease term.

4.8 Property, plant and equipment

Property, plant and equipment are carried at acquisition cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal instalments over their estimated useful economic lives at the following rates:

Freehold property – 2% per annum on cost

Plant and equipment – 33.3% and 25% per annum on cost

Material residual value and useful life estimates are updated as required but at least annually. Freehold land is carried at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

4.9 Intangible assets

Expenditure on development activities is capitalised if the product or process meets the recognition criteria for development expenditure as set out in IAS 38 'Intangible Assets'. The expenditure capitalised includes all directly attributable costs, from the date which the intangible asset meets the recognition criteria, necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

Development expenditure is identified as being capital in nature if the costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure not meeting these criteria is recognised in profit or loss as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses, once the asset is ready for use. Intangible assets not yet ready for use are tested for impairment annually.

Other intangible assets include acquired data holdings that qualify for recognition as intangible assets in a business combination. They are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives, as these assets have finite useful economic lives.

Residual values and useful lives are reviewed at each reporting date. In addition, intangible assets are subject to annual impairment reviews or when there is an indication of impairment.

4 Summary of accounting policies *continued*

4.9 Intangible assets continued

The following useful lives are applied:

Data holdings	–	ten years
Development costs	–	three to seven years
Customer relationships	–	fifteen years
Goodwill on consolidation	–	indefinite, annual impairment review

Amortisation is included within "Administrative costs".

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

4.10 Financial assets

Financial assets are assigned to different categories by management on initial recognition, depending on the purpose for which they were acquired. All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets comprise the following:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables, cash and cash equivalents and other financial assets are classified as loans and receivables. Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in profit or loss.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due under the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying value and the present value of estimated future cash flows.

4.11 Income taxes

Current tax is the tax currently payable or receivable based on the taxable profit or loss for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if the reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity or, where they relate to items of other comprehensive income, in which case they are recognised in other comprehensive income.

4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

4 Summary of accounting policies *continued*

4.13 Equity

Equity comprises the following:

- "share capital" represents the nominal value of equity shares;
- "share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- "merger relief reserve" represents the premium on shares issued to acquire ERCL Limited;
- "capital redemption reserve" represents the nominal value of equity shares redeemed;
- "share option reserve" represents the fair value of share options in accordance with IFRS 2 'Share-based Payment';
- "currency translation reserve" represents the value of exchange differences in translating the assets and liabilities of the foreign subsidiary; and
- "retained earnings" represents retained profits.

4.14 Dividends

Dividend distributions payable to equity shareholders are included in "Other short-term financial liabilities" when dividends are approved in general meetings prior to the end of the reporting period.

4.15 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value and all transaction costs are recognised immediately in profit or loss. All other financial liabilities are recorded initially at fair value, net of direct issue costs.

Financial liabilities categorised as at fair value through profit or loss are re-measured at each reporting date at fair value, with changes in fair value being recognised in profit or loss. All other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in profit or loss. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial liabilities are categorised as at fair value through profit or loss where they are designated as at fair value through profit or loss on initial recognition. Deferred consideration on acquisitions of assets, which is contingent on subsequent sales of such assets, is treated as financial liability at fair value through profit or loss and the value is allocated between current and non-current liabilities in accordance with best estimates of the timing and amounts expected to fall due.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

4.16 Business combinations

Business combinations are accounted for using the acquisition method of accounting. The acquired identifiable tangible and intangible assets are measured at their fair values at the date of the acquisition. Acquisition costs incurred are expensed under administrative expenses.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

4.17 Significant areas of judgement and estimation uncertainty

In applying the above accounting policies, management has made appropriate estimates in key areas and the actual outcomes may differ from those calculated.

4 Summary of accounting policies *continued*

4.17 Significant areas of judgement and estimation uncertainty continued

Significant areas of judgement

The key sources of judgement at the end of the reporting period are:

Recognition of revenue from multiple element contracts

When an element of a contract is reliant on core development work, such as the work being carried out to complete the Globe project, it is judged that revenue from ongoing core development work is generated in line with the stage of completion of the separately identifiable intangible assets to which they relate.

Capitalisation of development costs

The capitalisation of development expenditure is dependent on the costs meeting the recognition criteria in accordance with IAS 38 'Intangible Assets'. In assessing the criteria, management makes judgements on the level of future economic benefits of the asset flowing to the Company. Management is assisted in making these judgements through the monitoring of sales forecasts and of the level of future cost benefits arising.

Deferred taxation

Management judgement is required in determining provisions for deferred tax liabilities and assets. The process involves estimating the actual current tax exposure together with assessing temporary differences resulting from the different valuation of certain assets and liabilities in the financial statements and the tax returns. Management must assess the probability that the deferred tax assets will be recovered from future taxable income.

Significant areas of estimation uncertainty

The key sources of estimation uncertainty at the end of the reporting period are:

Contracts that are long term in nature and contracts for ongoing services

The value of revenue recognised during the year is dependent on estimates of work to completion. This method requires the Group to estimate the stage of completion to date as a proportion of the total work to be performed. Were the proportion of work completed to total work to be performed to differ by 5% from management's estimates, the amount of revenue recognised would increase/decrease by £129,600.

Multiple element contracts

Management uses estimates in determining the fair value of individual elements of the multiple element contracts in order to appropriately recognise the revenue attributable to each element. A value is assigned to each element of the contract, based on an estimate of the value of that element if it were sold individually; the ratio of these values is then used to calculate a fair value for each element. The value of revenue recognised during the year is also dependent on estimates of work to completion, as with long-term contracts.

Carrying amount of non-current assets

Where there is indication of impairment a review of the carrying values of non-current assets is undertaken as follows:

- freehold land and buildings are estimated on the basis of value in use; and
- intangible non-current assets are estimated on the basis of value in use.

The value is calculated from the present value of future cash flows expected to be derived from the asset under review. The key elements of estimation are the calculation of future cash flows. For freehold land and buildings, future cash flows are the estimated cost to rent an equivalent building on the open market. For intangible assets, future cash flows are forecast revenues from the associated cash-generating unit. Further estimation is made in determining an appropriate discount rate that reflects the specific risks associated with the asset or cash-generating unit.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

4 Summary of accounting policies *continued*

4.17 Significant areas of judgement and estimation uncertainty continued

Significant areas of estimation uncertainty continued

Intangible assets – customer relationships

To measure the fair value of the intangible customer relationships in ERCL Limited, a multi-period excess earnings method was used. The significant areas of estimation uncertainty in this calculation were the rate at which customers are retained, and the discount factor to be applied to the intangible in calculating the present value. The rate of retention was estimated at 90% through consideration of past experience in the industry; a reduction in this rate would have decreased the valuation of the asset by £35,000. The asset-specific discount factor applied to customer relationships was 18% to reflect the inherent risk associated with customer relationships over the business risk as a whole; an increase of 1% in the discount factor used would have decreased the valuation of the asset by £36,000.

Share options

Share-based payments are dependent on estimates as to the number of shares which are expected to vest and, by using the Black Scholes valuation model, estimates are made in expected volatility, the risk-free rate and the expected time to exercise. Where appropriate, management uses historical market data as a basis for estimating the fair value of share options on grant.

Contingent consideration

In the event that the subsidiary meets specified performance criteria over the three years from the acquisition date, additional consideration may be payable in cash. The fair value of the contingent consideration at the date of acquisition was calculated by projecting the expected profits for the three years from the date of acquisition and discounting to the acquisition date. The significant areas of estimation uncertainty are the expected future profits of the subsidiary and the discount rate applied to calculate the fair value of the contingent consideration at the acquisition date.

4.18 Standards and interpretations not yet applied by Getech

The following standards and interpretations, which are yet to become mandatory and are expected to be relevant to the financial statements, have not been applied in the 2015 financial statements:

Standard or interpretation	Effective for reporting periods starting on or after
Annual improvements 2010–2012 cycle	1 July 2014[1]
Annual improvements 2011–2013 cycle	1 July 2014[2]
Annual improvements 2012–2014 cycle	1 July 2016[3]
IFRS 9 'Financial Instruments'	1 January 2018[3]
IFRS 14 'Regulatory Deferral Accounts'	1 January 2016[3]
IAS 16 and 38 (amendments) 'Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016
IAS 1 (amendments) 'Disclosure Initiative – Presentation of Financial Statements'	1 January 2016[3]
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017

1 EU mandatory effective date is on financial years starting on or after 1 February 2015.

2 EU mandatory effective date is on financial years starting on or after 1 January 2015.

3 Not yet adopted by the EU.

It is anticipated that the adoption of these standards will not have a significant impact on the financial statements of the Group, except for additional disclosure and presentational requirements; the impact of all other standards and interpretations not yet adopted is not expected to be material.

5 Segmental reporting

5.1 Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods and services delivered or provided. The Directors of the Company have chosen to organise the Group around differences in products and services. Operating segments with similar characteristics, and where segments are similar in respect of the nature of the products and services, the nature of the production processes and the type of customer and have similar methods of distribution, have been aggregated into a single operating segment.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

- multi-client products; and
- proprietary reports.

The sources of revenue included in "all other segments" are from the provision of training and other miscellaneous income.

5.2 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	2015		2014	
	Revenue £	Profit £	Revenue £	Profit £
Multi-client products	4,726,778	3,153,388	5,364,630	2,751,568
Proprietary projects	3,902,956	2,209,062	1,165,969	614,428
All other segments	8,854	1,162	62,199	60,726
	8,638,588	5,363,612	6,592,798	3,426,722
Central administrative costs, Directors' salaries and depreciation		(3,475,728)		(2,509,334)
Finance income		5,404		32,292
Currency translation differences on foreign operations		98,948		51,136
Profit before tax		1,992,236		1,000,816

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: £nil).

The accounting policies of the reportable segments are the same as in the Group's accounting policies described in Note 4. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and Directors' salaries, finance costs and currency translation differences on foreign operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Assets and liabilities are not reported to the chief operating decision maker by segment.

5.3 Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	2015		2014	
	Revenue £	Non-current assets £	Revenue £	Non-current assets £
USA	2,236,049	449,379	3,880,106	542,017
United Kingdom	1,033,163	8,167,414	288,020	3,031,019
Europe	815,096	—	1,073,010	—
Asia	767,222	—	746,804	—
Australasia	372,617	—	264,883	—
Africa	3,215,003	—	259,975	—
South/Central America	199,438	—	80,000	—
	8,638,588	8,616,793	6,592,798	3,573,036

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

5 Segmental reporting *continued*

5.3 *Geographical information continued*

Revenue includes £nil (2014: £nil) in respect of services rendered.

Within revenue there are sales to one customer exceeding 10% of turnover. The values of those sales are £2,512,180 (2014: £814,207 and £705,294), all of which are included in the multi-client operating segment.

6 Operating profit

The operating profit for the year has been arrived at after charging/(crediting):

	2015 £	2014 £
Cost of inventories recognised as an expense	286,626	263,041
Depreciation of property, plant and equipment	184,736	110,769
Amortisation of intangible assets	185,877	128,935
Impairment of intangible assets	298,110	
Fair value adjustments	(303,887)	
Remuneration receivable by the Group's auditor for audit services:		
– the auditing of the accounts	32,800	25,300
Remuneration receivable by the Group's auditor for non-audit services:		
– interim review	—	3,800
Operating leases:		
– rental costs of land and building	80,145	22,024
Foreign exchange movement	(98,948)	20,183
Share-based payments charge	58,912	21,186
Research and development costs expensed as incurred	1,341,289	953,411
Write down of inventories to fair value less costs to sell	85,150	—

The above are included in "Cost of sales" and "Administrative costs" in the consolidated statement of comprehensive income.

7 Directors and employees

The employee benefit expenses during the year were as follows:

	2015 £	2014 £
Short-term employee benefits	3,832,434	2,744,202
Social security costs	381,219	283,735
Pension costs	167,314	125,949
Share-based payment charge	49,640	13,904
	4,430,607	3,167,790

The average number employed by the Group, including Executive Directors, was:

	2015 Number	2014 Number
Directors	3	4
Administration	15	13
Technical	82	58
	100	75

7 Directors and employees *continued*

Remuneration in respect of the Directors was as follows:

	2015				
	Fees/salary £	Pension contributions £	Benefits in kind £	Total before share options £	Share-based payment charge £
Executive					
Professor P F Carey	135,670	2,027	228	137,925	14,214
Dr P J Markwick	119,004	4,975	250	124,229	14,214
R Wolfson	121,522	6,039	481	128,042	14,214
H Edwards	58,333	—	—	58,333	—
Non-executive					
Dr A M Fielding[1]	24,270	—	—	24,270	—
C Glass[2]	21,600	—	—	21,600	—
Dr S M Paton	32,852	833	—	33,685	6,988
P F H Stephens[3]	18,210	—	—	18,210	1,560
	531,461	13,874	959	546,294	51,190

	2014				
	Fees/salary £	Pension contributions £	Benefits in kind £	Total before share options £	Share-based payment charge £
Executive					
Professor P F Carey	79,850	—	228	80,078	4,905
Professor J D Fairhead	92,573	—	—	92,573	—
Dr P J Markwick	90,850	4,880	250	95,980	4,905
R Wolfson	117,390	5,832	481	123,703	4,905
Non-executive					
Dr A M Fielding[1]	20,225	—	—	20,225	—
C Glass[2]	18,000	—	—	18,000	—
Dr S M Paton	28,090	—	—	28,090	6,994
P F H Stephens[3]	17,600	—	—	17,600	288
	464,578	10,712	959	476,249	21,997

1 Director's fees for Dr A M Fielding were paid to IP Group Limited, a company of which she is a Director.

2 Director's fees for C Glass were paid to Winburn Glass Norfolk, Chartered Accountants, a firm of which he is a partner.

3 Director's fees for P F H Stephens were paid to Noon and Co. Limited, a company of which he is a Director.

Included above is £nil paid to Professor J D Fairhead as compensation for loss of office (2014: £50,085).

Pension contributions represent payments made to defined contribution schemes. Non-executive Directors are not entitled to retirement benefits.

Remuneration of the Non-executive Directors is determined by the Board.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

7 Directors and employees *continued*

7.1 Directors' share options

Details of the share options held by Directors are:

			Number of shares			
Date granted	Exercise period	Option price	2014	Granted	Exercised	2015
Professor P F Carey						
13 December 2012	13 December 2014 – 12 December 2022	21.30p	200,000	—	—	200,000
23 July 2014	23 July 2016 – 22 July 2024	48.00p	200,000	—	—	200,000
Dr P J Markwick						
13 December 2012	13 December 2014 – 12 December 2022	21.30p	200,000	—	—	200,000
23 July 2014	23 July 2016 – 22 July 2024	48.00p	200,000	—	—	200,000
R Wolfson						
26 August 2005	31 July 2008 – 26 August 2015	9.87p	25,532	—	—	25,532
26 August 2005	31 July 2010 – 26 August 2015	9.87p	19,149	—	—	19,149
26 August 2005	31 July 2011 – 26 August 2015	9.87p	19,149	—	—	19,149
26 August 2005	31 July 2012 – 26 August 2015	9.87p	19,149	—	—	19,149
13 December 2012	13 December 2014 – 12 December 2022	21.30p	200,000	—	—	200,000
23 July 2014	23 July 2016 – 22 July 2024	48.00p	200,000	—	—	200,000
C Glass						
26 August 2005	31 July 2008 – 26 August 2015	9.87p	25,532	—	—	25,532
26 August 2005	31 July 2010 – 26 August 2015	9.87p	19,149	—	—	19,149
26 August 2005	31 July 2011 – 26 August 2015	9.87p	19,149	—	—	19,149
26 August 2005	31 July 2012 – 26 August 2015	9.87p	19,149	—	—	19,149
Dr S M Paton						
27 April 2011	27 April 2011 – 27 April 2021	17.50p	300,000	—	—	300,000
27 April 2011	27 April 2012 – 27 April 2021	17.50p	200,000	—	—	200,000
27 April 2011	27 April 2013 – 27 April 2021	17.50p	200,000	—	—	200,000
27 April 2011	27 April 2014 – 27 April 2021	17.50p	200,000	—	—	200,000
P F H Stephens						
24 December 2010	24 December 2012 – 24 December 2021	15.00p	41,490	—	—	41,490

The market price of the shares at the end of the financial year was 48.00p and the range of market prices during the year was between 32.50p and 68.00p.

See Note 23, where full share-based payment disclosures are provided.

8 Finance income

	2015 £	2014 £
Interest on bank deposits	13,554	32,914

9 Finance costs

	2015 £	2014 £
Interest on bank borrowings	8,342	622

10 Income tax

The income tax charge comprises:

	2015 £	2014 £
Current income tax		
Current year	210,719	22,086
Prior year	—	(624,674)
Total current tax	210,719	(602,588)
Deferred tax		
Current year	(36,271)	36,971
Prior year	4,792	(8,795)
Total deferred tax	(31,479)	28,176
Tax expense/(credit) on profit	179,240	(574,412)

Factors affecting the tax charge for the year

The taxation assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2014: 20%).

The tax (credit)/expense for the year can be reconciled to profit per the consolidated statement of comprehensive income at the standard rate of corporation tax in the UK of 20% (2014: 20%) as follows:

	2015 £	2014 £
Profit on ordinary activities before tax	1,992,236	1,000,816
Tax at UK corporation tax rate of 20% (2014: 20%)	398,447	200,163
Effects of:		
Disallowed expenditure	59,266	4,836
Depreciation not allowable	5,077	5,011
Overseas franchise tax	17,586	22,086
Adjustment in respect of tax rate changes	—	1,669
Adjustment for tax rate changes in foreign jurisdictions	(17,157)	113,529
Adjustment for tax computation in foreign jurisdictions	(8,771)	(8,237)
Research and development enhanced expenditure	(280,000)	(280,000)
Research and development enhanced expenditure in respect of prior years	—	(493,715)
Adjustment to tax charge in respect of prior years	4,792	(139,754)
Total tax expense/(credit) reported in the consolidated statement of comprehensive income	179,240	(574,412)

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

10 Income tax *continued*

Deferred taxation

The net movement on the deferred tax asset and deferred tax liability accounts is as follows:

	2015 £	2014 £
Deferred tax assets		
Balance brought forward	311,644	128,543
Share-based payments	2,799	647
Intangible assets of foreign subsidiary company	26,000	3,000
Tax losses	(183,848)	179,454
Post-employment benefits	2,532	—
Balance carried forward	159,127	311,644
Deferred tax liabilities		
Balance brought forward	(321,452)	(110,175)
Accelerated capital allowances	(22,809)	(15,277)
Intangible assets acquired in business combinations	(111,801)	—
Foreign tax jurisdictions	137,000	(196,000)
Balance carried forward	(319,062)	(321,452)

The deferred taxation recognised in the financial statements at 20% (2014: 20%) for UK taxation and 34% (2014: 34%) for USA taxation is set out below:

	2015 £	2014 £
Share-based payments	27,989	25,190
Accelerated capital allowances	(130,464)	(88,452)
Foreign tax jurisdictions	(96,000)	(233,000)
Intangible assets of foreign subsidiary company	133,000	107,000
Tax losses	14,809	179,454
Intangible assets acquired in business combinations	(111,801)	—
Post-employment benefits	2,532	—
Net deferred tax asset/(liability)	(159,935)	(9,808)

The most appropriate tax rate for the Group is considered to be 20% (2014: 20%), the standard rate of profits tax in the UK, which is the primary source of profit for the Group.

The deferred tax asset in respect of the UK company is calculated at 20% (2014: 20%) in the light of future tax rates announced. The deferred tax asset in respect of the intangible assets of the foreign subsidiary company arises as a result of future capital allowances available following the part-payment of the deferred consideration for the acquisition of assets from Lisle Gravity Inc. in an earlier period. These will be relieved against profits of the foreign subsidiary.

11 Dividends

	2015 £	2014 £
Paid during the year		
Final dividend in respect of the year ended 31 July 2014 at 1.76p per share (2013: 1.60p)	534,015	482,125
Interim dividend at 0.46p per share (2014: 0.44p)	149,597	134,413
	683,612	616,538
Proposed after the year end (not recognised as a liability)		
Final dividend in respect of the year ended 31 July 2015 at 1.74p per share (2014: 1.76p)	572,386	533,565

11 Dividends *continued*

The proposed final dividend per share for the year ended 31 July 2015 is subject to approval by shareholders at the Annual General Meeting on 8 December 2015.

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of the Ordinary Shares in issue in the year.

	2015	2014
Profit attributable to equity holders of the Group	**£1,812,996**	£1,575,228
Weighted average number of Ordinary Shares in issue	**31,416,845**	30,249,212
Basic earnings per share	**5.77p**	5.21p
Diluted earnings per share	**5.61p**	4.95p

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of the Ordinary Shares which would be in issue if all the options granted, other than those which are anti-dilutive, were exercised. The addition to the weighted number of the Ordinary Shares used in the calculation of diluted earnings per share for the year ended 31 July 2015 is 1,510,171 (2014: 1,560,109).

13 Property, plant and equipment

The carrying amounts of property, plant and equipment for the years presented in the consolidated financial statements are reconciled as follows:

	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 August 2013	2,795,248	783,986	3,579,234
Additions	3,150	103,747	106,897
Disposals	—	(8,569)	(8,569)
Exchange differences	—	(16,370)	(16,370)
At 31 July 2014	2,798,398	862,794	3,661,192
Additions	—	284,891	284,891
Disposals	—	—	—
Exchange differences	—	13,044	13,044
At 31 July 2015	**2,798,398**	**1,160,729**	**3,959,127**
Depreciation			
At 1 August 2013	215,480	611,157	826,637
Charge for the period	35,919	74,850	110,769
Disposals	—	(8,569)	(8,569)
Exchange differences	—	(15,561)	(15,561)
At 31 July 2014	251,399	661,877	913,276
Charge for the period	35,968	144,689	180,657
Disposals	—	—	—
Exchange differences	—	12,685	12,685
At 31 July 2015	**287,367**	**819,251**	**1,106,618**
Carrying amount			
At 31 July 2015	**2,511,031**	**341,478**	**2,852,509**
At 31 July 2014	2,546,999	200,917	2,747,916
At 1 August 2013	2,579,768	172,829	2,752,597

The carrying amount of freehold land not subject to depreciation amounted to £1,000,000 (2014: £1,000,000).

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

13 Property, plant and equipment *continued*

Depreciation charges are included in "Administrative costs" in the consolidated statement of comprehensive income.

14 Goodwill

The carrying amounts of goodwill for the years presented in the consolidated financial statements are reconciled as follows:

	Goodwill
Gross carrying amount	
At 1 August 2013 and 31 July 2014	—
Acquired through business combination	3,131,538
At 31 July 2015	**3,131,538**
Accumulated impairment	
At 1 August 2013 and 31 July 2014	—
Impairment loss recognised	—
At 31 July 2015	**—**
Carrying amount	
At 31 July 2015	**3,131,538**
At 1 August 2013 and 31 July 2014	—

For the purpose of annual impairment testing, goodwill is allocated to the proprietary projects operating segment, which is expected to benefit from the synergies and the continued high profitability of the business combination.

The recoverable amount was determined based on value in use calculations, covering a detailed three year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives. The recoverable amount of the proprietary projects operating segment is set out below:

Operating segment	2015 £	2014 £
Proprietary projects	7,055,109	—
	7,055,109	—

The present value of the expected cash flows of proprietary projects is determined by applying a suitable discount rate reflecting the current market assessments of the time value of money and risks specific to the segment. The discount rate applied of 15% takes into consideration the industry-wide risks as well as those specific to the Group's proprietary projects operating segment.

The calculations use cash flow projections based on financial budgets approval by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated industry growth rate of 2%.

Sales volumes over the five year forecast period are based on past performance and management's expectations of market development.

15 Intangible assets

The carrying amounts of intangible assets for the years presented in the consolidated financial statements are reconciled as follows:

	Customer relationships £	Development costs £	Data holdings £	Trade and domain names £	Total £
Cost					
At 1 August 2013	—	—	1,309,560	2,031	1,311,591
Additions	—	82,867	—	—	82,867
Exchange differences	—	—	(120,792)	—	(120,792)
At 31 July 2014	—	82,867	1,188,768	2,031	1,273,666
Additions	876,596	976,831	128,090	—	1,981,517
Exchange differences	—	—	97,340	—	97,340
At 31 July 2015	**876,596**	**1,059,698**	**1,414,198**	**2,031**	**3,352,523**
Amortisation and impairment					
At 1 August 2013	—	—	693,303	2,031	695,334
Amortisation charge	—	—	128,935	—	128,935
Exchange differences	—	—	(64,079)	—	(64,079)
At 31 July 2014	—	—	758,159	2,031	760,190
Amortisation charge	19,480	20,321	145,810	—	185,611
Impairment charge	298,110	—	—	—	298,110
Exchange differences	—	—	62,113	—	62,113
At 31 July 2015	**317,590**	**20,321**	**966,082**	**2,031**	**1,306,024**
Carrying amount					
At 31 July 2015	**559,006**	**1,039,377**	**448,116**	**—**	**2,046,499**
At 31 July 2014	—	82,867	430,609	—	513,476
At 1 August 2013	—	—	616,257	—	616,257

Amortisation charges are included in "Administrative costs" in the consolidated statement of comprehensive income. The remaining amortisation period for the Lisle Data acquired in 2008 is three years.

Following an impairment review, the carrying value of customer relationships has been reduced to its recoverable amount through an impairment recorded in profit or loss.

16 Inventories

	2015 £	2014 £
Work in progress	**292,005**	180,092

There is a charge included in profit or loss for the year of £85,130 (2014: £nil) as an expense arising from an impairment review of inventories.

17 Trade and other receivables

	2015 £	2014 £
Trade receivables	**3,546,549**	1,849,564
Social security and other taxes	**36,779**	37,311
Other receivables	**1,942**	32,862
Prepayments and accrued income	**649,758**	930,801
	4,235,028	2,850,538

All amounts are short term. The carrying amounts of trade and other receivables are considered to be reasonable approximations to fair value.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

17 Trade and other receivables *continued*

All of the Group's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired. In addition, some of the unimpaired trade receivables are past due as at the reporting date. The age of financial assets past due but not impaired is as follows:

	2015 £	2014 £
Not more than three months	736,004	273,149
More than three months but not more than six months	—	7,345
More than six months but not more than one year	5,158	43,439
	741,162	323,933

18 Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	4,726,734	3,422,594

19 Borrowings

The bank loan carries a variable interest rate of 2.04% above bank base rate and is repayable in equal monthly instalments. The loan is secured by land and buildings owned by the Parent Company with a current carrying value of £2,511,031 (2014: £2,546,999).

20 Trade and other payables

	2015 £	2014 £
Current liabilities		
Trade payables	1,272,062	1,447,968
Social security and other taxes	151,953	76,325
Other payables	1,090,312	20,862
Accruals and deferred income	2,113,894	1,162,554
	4,628,221	2,707,709

	2015 £	2014 £
Non-current liabilities		
Other payables	979,785	—
	979,785	—

The carrying amounts of trade and other payables are considered to be reasonable approximations to fair value.

21 Financial instruments

The Group is exposed to financial risks. The Group's risk management is co-ordinated by its Directors who focus actively on securing the Group's short to medium-term cash flows through regular reviews of the operating activity of the business.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below:

Foreign currency risk

Exposure to currency exchange rates arises from the Group's overseas sales and purchases, most of which are denominated in US dollars and some of which are denominated in euros. Assets and liabilities denominated in US dollars and euros give rise to foreign exchange exposures at the end of the reporting period.

21 Financial instruments *continued*

Foreign currency risk continued

To mitigate the Group's exposure to foreign currency risk, exchange rates are monitored and the timing of settling invoices, where sales and purchases are made in currencies other than pounds sterling, is matched as far as possible. Furthermore, there is no systematic exposure to exchange rates because selling prices are not fixed in currencies other than sterling.

The Group has a US-based subsidiary whose net assets are exposed to foreign currency translation risk. With no matching borrowings denominated in US dollars it is the Group's policy not to hedge against this translation exposure.

The Group had short-term exposure to the US dollar and the euro at 31 July 2015. The following table illustrates the sensitivity of the net result for the year with regard to the Group's financial assets and financial liabilities. It assumes a +/-10% change of the US dollar and the euro exchange rates for the year ended 31 July 2015. Sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period.

If pounds sterling had strengthened or weakened against the US dollar and the euro by 10% this would have had the following impact:

	2015		2014	
	+10% £	-10% £	+10% £	-10% £
Profit before tax	1,992,236	1,992,236	1,000,816	1,000,816
Sensitivity to movement in currency exchange rates				
US dollar	(305,864)	356,766	(282,707)	418,301
Euro	(28,295)	34,582	(29,816)	36,441
Profit before tax	1,658,077	2,383,584	688,293	1,455,558

Exposures to foreign exchange rates vary during the year depending on the value of overseas transactions. Nonetheless, the analysis above is considered to be representative of Getech's exposure to currency risk.

There is no effect on equity in respect of currency exchange rate sensitivity.

The Group's actual currency exposures at the end of the reporting period were as follows:

	2015 £	2014 £
Denominated in US dollars		
Financial assets	3,152,033	2,500,757
Financial liabilities	(709,200)	(913,027)
Exposure	2,442,833	1,587,730
Denominated in euros		
Financial assets	322,533	327,971
Financial liabilities	(11,292)	(11,675)
Exposure	311,241	316,296

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of its financial assets at the end of the reporting period, as summarised below:

	2015 £	2014 £
Classes of financial assets – carrying amounts		
Trade and other receivables	3,682,453	2,695,193
Other financial assets	—	—
Cash and cash equivalents	4,726,734	3,422,594
	8,409,187	6,117,787

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

21 Financial instruments *continued*

Credit risk analysis continued

In respect of trade and other receivables that are not impaired, the Group is not exposed to any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Group's customers are generally major oil and mining companies with whom the Group has strong trading relationships with no recent history of default. The Group continually monitors its trade receivables and incorporates this information into its credit risk controls.

Trade receivables are stated on the basis of factors such as historical trends, age of debts and debt specific information. Details of amounts past due but not impaired are set out in Note 16. The credit risk for liquid funds is considered negligible, since counterparties are reputable banks with high quality external credit ratings.

The Group does not hold any collateral as security.

Interest rate risk

At 31 July 2015 the Group had cash subject to variable rates of £3,275,107 (2014: £3,422,594) and borrowings subject to variable rates of £1,031,797 (2014: £nil). There is no other material interest rate risk.

To mitigate the Group's exposure to interest rate risk, market rates are monitored.

The following table illustrates the sensitivity of the profit before tax for the year to a reasonably possible change in interest rates of +/-1% with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's financial instruments held at the end of each reporting period. All other variables are held constant.

	2015		2014	
	+1% £	-1% £	+1% £	-1% £
Profit before tax	2,016,355	1,968,117	1,016,392	985,240

Capital and liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled cash outflows and anticipated inflows. Having regard to modest visibility of sales, the cash forecasts are regularly reviewed and cover alternative income scenarios.

The contractual maturity of the Group's financial liabilities at the end of the reporting period was as follows:

	Within one year £	In one to two years £	In two to five years £	2015 £
Trade and other payables – held at amortised cost	2,109,353	—	—	2,109,353
Trade and other payables – held at fair value through profit or loss	1,055,399	454,545	525,240	2,035,184
Borrowings – held at amortised cost	289,484	289,484	506,598	1,085,566
	3,454,236	744,029	1,031,838	5,230,103

	Within one year £	In one to two years £	In two to five years £	2014 £
Trade and other payables – held at amortised cost	1,569,837	—	—	1,569,837
Trade and other payables – held at fair value through profit or loss	14,808	—	—	14,808
	1,584,645	—	—	1,584,645

21 Financial instruments *continued*

Summary of the Group's financial assets and liabilities as defined in IAS 39 'Financial Instruments: Recognition and Measurement'

Current assets – loans and receivables	2015 £	2014 £
Trade and other receivables	3,682,453	2,695,193
Cash and cash equivalents	4,726,734	3,422,594
	8,409,187	6,117,787
Current liabilities		
Borrowings – held at amortised cost	(263,132)	—
Trade and other payables – held at amortised cost	(2,109,353)	(1,569,837)
Trade and other payables – held at fair value through profit or loss	(1,055,399)	(14,808)
	(3,427,884)	(1,584,645)
Non-current liabilities		
Borrowings – held at amortised cost	(768,665)	—
Trade and other payables – held at fair value through profit or loss	(979,785)	—
Net financial assets and liabilities	(1,748,450)	—
	3,232,853	4,533,142

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2015 and 2014. Items carried at fair value through profit or loss are valued in accordance with Level 3 as defined in IFRS 13 'Financial Instruments', i.e. inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

22 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

These objectives are maintained by pricing products and services commensurately with the level of risk and exercising a policy of progressive dividends as appropriate.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position. Capital for the reporting period under review is set out below:

	2015 £	2014 £
Total equity	10,206,960	7,809,865
Less: cash and cash equivalents	(4,726,734)	(3,422,594)
	5,480,226	4,387,271

In order to achieve the Group's objectives in capital management, the goal is to maintain adequate capital with the minimum appropriate borrowing. The Group has met its stated objectives for the year.

23 Share capital

	2015 £	2014 £
Authorised		
90,000,000 Ordinary Shares of £0.0025 each (2014: 90,000,000)	225,000	225,000
Issued, called up and fully paid		
32,729,790 Ordinary Shares of £0.0025 each (2014: 30,316,184)	81,824	75,790

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

23 Share capital *continued*

	2015 Number	2014 Number
Shares issued, called up and fully paid		
Balance brought forward	30,316,184	30,127,465
Acquisition of subsidiary	2,176,630	—
Shares issued under share-based payments	236,976	188,719
Balance carried forward	32,729,790	30,316,184

The following additional Ordinary Shares of £0.0025 each, relating to share-based payments, were issued during the year:

	Number of shares		
Date	9.87p/share	15p/share	2015
10 November 2014	25,532	—	25,532
28 November 2014	—	1,200	1,200
8 December 2014	—	1,200	1,200
11 May 2015	38,298	—	38,298
14 May 2015	76,597	—	76,597
30 June 2015	75,000	—	75,000
17 July 2015	—	19,149	19,149
	215,427	21,549	236,976

Each share issued has the same right to receive dividends and the repayment of capital and represents one vote at the shareholders' meeting of the Group.

24 Share-based payments

At 31 July 2015 the Group operated an approved Enterprise Management Incentive (EMI) share scheme and an Unapproved Options scheme. Under the share options plans, the Directors can grant options over shares in the Company to employees, subject to approval from the Remuneration Committee. Options are granted with a fixed exercise price and the contractual life of an option of ten years. Options will become exercisable on the second anniversary of the date of grant. Exercise of an option is subject to continued employment.

At 31 July 2015 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI share scheme

	Number of shares				
Exercise period	2014	Granted	Exercised	Lapsed	2015
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	51,064	—	(25,532)	—	25,532
31 July 2010 – 26 August 2015	46,809	—	(27,660)	—	19,149
31 July 2011 – 26 August 2015	65,959	—	(46,810)	—	19,149
31 July 2012 – 26 August 2015	85,106	—	(57,978)	—	27,128
	248,938	—	(157,980)	—	90,958
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	50,298	—	(2,400)	—	47,898
Granted 13 December 2012, exercise price: 21.3p per share					
13 December 2014 – 12 December 2022	600,000	—	—	—	600,000
Granted 22 July 2014, exercise price: 48.0p per share					
22 July 2016 – 21 July 2024	720,000	—	—	(20,000)	700,000
Total EMI share scheme options	1,619,236	—	(160,380)	(20,000)	1,438,856

24 Share-based payments *continued*

Unapproved options scheme

	Number of shares				
Exercise period	2014	Granted	Exercised	Lapsed	2015
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	51,064	—	—	—	51,064
31 July 2010 – 26 August 2015	57,447	—	(19,149)	—	38,298
31 July 2011 – 26 August 2015	57,447	—	(19,149)	—	38,298
31 July 2012 – 26 August 2015	57,447	—	(19,149)	—	38,298
	223,405	—	(57,447)	—	165,958
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	60,639	—	(19,149)	—	41,490
Granted 27 April 2011, exercise price: 17.5p per share					
27 April 2011 – 27 April 2021	300,000	—	—	—	300,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
	900,000	—	—	—	900,000
Total unapproved options	1,184,044	—	(76,596)	—	1,107,448
Total EMI share scheme and unapproved options	2,803,280	—	(236,976)	(20,000)	2,546,304

	Weighted average exercise price	Number
Options outstanding at 31 July 2015	48.0p	700,000
Options exercisable at 31 July 2015	17.6p	1,846,304
		2,546,304

The following share options were exercised during the year:

Date of grant	Share scheme	Number exercised	Exercise date	Share price at exercise date
26 August 2005	EMI	25,532	10 November 2014	51.50p
24 December 2010	EMI	1,200	28 November 2014	46.00p
24 December 2010	EMI	1,200	8 December 2014	44.00p
26 August 2005	EMI	38,298	11 May 2015	58.50p
26 August 2005	EMI	19,150	14 May 2015	56.50p
26 August 2005	Unapproved	57,447	14 May 2015	56.50p
26 August 2005	EMI	75,000	30 June 2015	54.50p
24 December 2010	Unapproved	19,149	17 July 2015	53.50p

On 10 August 2015, a further 165,958 unapproved share options were exercised at 9.87p per share; the share price was 56.25p.

On 26 August 2015, 90,958 EMI share options, with an exercise price of 9.87p, lapsed.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

24 Share-based payments *continued*

At 31 July 2014 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI share scheme

	Number of shares				
Exercise period	2013	Granted	Exercised	Lapsed	2014
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	104,255	—	(53,191)	—	51,064
31 July 2010 – 26 August 2015	87,236	—	(40,427)	—	46,809
31 July 2011 – 26 August 2015	106,384	—	(40,425)	—	65,959
31 July 2012 – 26 August 2015	106,382	—	(21,276)	—	85,106
	404,257	—	(155,319)	—	248,938
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	89,698	—	(33,400)	(6,000)	50,298
Granted 13 December 2012, exercise price: 21.3p per share					
13 December 2014 – 12 December 2022	600,000	—	—	—	600,000
Granted 22 July 2014, exercise price: 48.0p per share					
22 July 2016 – 21 July 2024	—	720,000	—	—	720,000
Total EMI share scheme options	1,093,955	720,000	(188,719)	(6,000)	1,619,236

Unapproved options scheme

	Number of shares				
Exercise period	2013	Granted	Exercised	Lapsed	2014
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	51,064	—	—	—	51,064
31 July 2010 – 26 August 2015	57,447	—	—	—	57,447
31 July 2011 – 26 August 2015	57,447	—	—	—	57,447
31 July 2012 – 26 August 2015	57,447	—	—	—	57,447
	223,405	—	—	—	223,405
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	60,639	—	—	—	60,639
Granted 27 April 2011, exercise price: 17.5p per share					
27 April 2011 – 27 April 2021	300,000	—	—	—	300,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
	900,000	—	—	—	900,000
Total unapproved options	1,184,044	—	—	—	1,184,044
Total EMI share scheme and unapproved options	2,277,999	720,000	(188,719)	(6,000)	2,803,280

	Weighted average exercise price	Number
Options outstanding at 31 July 2014	14.88p	1,320,000
Options exercisable at 31 July 2014	35.86p	1,483,280
		2,803,280

25 Financial commitments

Operating leases

At 31 July 2015 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015 Land and buildings £	2014 Land and buildings £
In less than one year	24,824	22,295
In one to two years	6,250	22,946
In two to five years	—	5,777
	31,074	51,018

Capital commitments

There were no capital commitments at 31 July 2015 (2014: £nil).

26 Related party transactions

During the year members of key management as defined by IAS 24 'Related Party Disclosures (revised 2009)' included non-Directors and their compensation was as follows:

	2015 £	2014 £
Short-term employee benefits	768,570	722,021
Post-employment benefits	33,123	29,068
Share-based payments	43,491	14,300
	845,184	765,389

The remuneration of the Directors, who are all Directors of the Parent Company, is set out in Note 7.

The Directors received dividends amounting to £16,716 during the year (2014: £60,118).

At the end of the reporting period the following amounts were unpaid to related parties:

	Amounts payable at 31 July 2015 £
IP Group Limited[1]	—
Noon and Co. Limited[2]	—
Winburn Glass Norfolk[3]	6,400

1 Director's fees for Dr A M Fielding were paid to IP Group Limited, a company of which she is a Director.

2 Director's fees and expenses for P F H Stephens were paid to Noon and Co. Limited, a company of which he is a Director.

3 Director's fees for C Glass were paid to Winburn Glass Norfolk, Chartered Accountants, a firm of which he is a partner. In addition, fees for services of £20,488 (2014: £77,890) provided on an arm's length basis in its normal course of business were charged by Winburn Glass Norfolk.

27 Pensions

The Group currently operates a Group personal pension plan for the benefit of employees. The amount recognised as an expense is £167,064 (2014: £125,949).

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2015

28 Business combination

On 7 April 2015 the Parent Company acquired 100% of the issued share capital of ERCL Limited, an upstream oil and gas exploration consultancy. The acquisition has allowed Getech to offer a significantly more comprehensive range of services and products, addressing exploration and development issues across a broader spectrum of client workflows.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration	£
Cash paid	1,750,000
Ordinary Shares issued	1,164,497
Contingent consideration	1,368,318
Sub-total	4,282,815
Net asset payments	1,184,753
Total	5,467,568

The fair value of the 2,176,630 shares issued as part of the consideration paid for ERCL Limited was based on the published price on 7 April 2015 of 53.50p per share.

In the event that pre-determined performance levels are achieved by the subsidiary company, ERCL Limited, measured annually from the acquisition date for three years, additional consideration may be payable in cash. The potential amount payable under the agreement ranges from £nil to an upper limit of £1,900,750. The fair value of the contingent consideration of £1,368,318 was estimated by calculating the present value of the future expected cash flows.

The net asset payments are amounts due to the former shareholders of ERCL Limited, calculated as the sum of the net assets of ERCL Limited to the extent they exceeded £450,000 on the date of acquisition. The net asset payments are contingent on the assets being recovered.

The assets and liabilities recognised as a result of the acquisition are as follows:

	£
Cash and cash equivalents	833,381
Trade receivables	1,503,550
Plant and equipment	25,939
Prepayments	78,596
VAT debtor	4,369
Trade payables	(27,130)
Accruals	(304,809)
Corporation tax liability	(429,318)
Social security and other taxation	(38,070)
Other creditors	(5,468)
Deferred tax liability	(181,606)
Customer relationships	876,596
Fair value of net identifiable assets required	2,336,030
Add: goodwill	3,131,538
Net assets acquired	5,467,568

The goodwill is attributable to the workforce, expected synergies from combining operations and the high profitability of the acquired business. It will not be deductible for tax purposes.

28 Business combination *continued*

Purchase consideration – cash outflow:

	2015 £	2014 £
Cash consideration	1,750,000	—
Net asset payments	214,000	—
Less:		
Cash balance acquired	(833,381)	—
Net outflow of cash – investing activities	1,130,619	—

Acquisition-related costs of £60,000 that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows. The acquired business contributed revenues of £935,926 and profit before tax of £229,800 for the period from 7 April 2015 to 31 July 2015. If the acquisition had occurred on 1 August 2014, consolidated pro-forma revenue and profit before tax for the year ended 31 July 2015 would have been £11,937,180 and £3,362,731, respectively.

There were no acquisitions in the year ending 31 July 2014.

Parent Company balance sheet – prepared under UK GAAP

As at 31 July 2015
Company registration number: 2891368

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	2	2,826,296	2,743,507
Intangible assets	3	1,039,377	82,867
Investments	4	5,467,568	—
		9,333,241	2,826,374
Current assets			
Stocks	5	176,237	180,092
Debtors	6	2,087,555	3,229,780
Cash at bank and in hand		3,869,624	2,657,507
		6,133,416	6,067,379
Creditors – amounts falling due within one year	7	(4,143,141)	(1,929,584)
Net current assets		1,990,275	4,137,795
Total assets less current liabilities		11,323,516	6,964,169
Creditors – amounts falling due after one year	8	(1,853,479)	—
Net assets		9,470,037	6,964,169
Representing:			
Capital and reserves			
Called up share capital	10	81,824	75,790
Share premium account	11	3,036,863	3,012,960
Merger relief reserve	11	1,159,055	—
Capital redemption reserve	11	6	6
Share option reserve	11	155,492	125,948
Profit and loss account	11	5,036,797	3,749,465
Shareholders' funds	11	9,470,037	6,964,169

The financial statements on pages 44 to 50 were approved by the Board on 3 November 2015.

Dr Stuart Paton
Director

The accompanying notes on pages 45 to 50 form an integral part of these financial statements.

Notes to the Parent Company financial statements – prepared under UK GAAP

For the year ended 31 July 2015

1 Principal accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost basis of accounting and under United Kingdom Generally Accepted Accounting Practice (UK GAAP).

1.2 Tangible fixed assets and depreciation

For all tangible fixed assets depreciation is calculated to write down their cost to estimated residual value by equal instalments over their estimated economic lives at the following rates:

Freehold property – 2% per annum on cost

Plant and equipment – 33.3% and 25% per annum on cost

No depreciation is provided on freehold land.

1.3 Investments

Fixed asset investments are stated at cost less provisions for diminution in value.

1.4 Intangible assets and amortisation

Expenditure on development activities is capitalised if the product or process meets the recognition criteria for development expenditure. The expenditure capitalised includes all directly attributable costs, from the date which the intangible asset meets the recognition criteria necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated to write down their cost by equal instalments over their estimated economic lives at the following rate:

Capitalised development costs – three to seven years on a straight line basis

1.5 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods and services provided, excluding VAT and comparable overseas taxes.

Proprietary reports and commissions

In respect of contracts which are long term in nature and contracts for proprietary reports and other commissions, revenue is recognised according to the value of work done in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion. Where the outcome of contracts cannot be estimated reliably or anticipated revenue is less than the anticipated costs, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Multi-client studies

For sales of data and completed project studies, revenue is recognised when the transfer of risk and reward is made to the customer, on dispatch unless otherwise agreed.

Multiple element contracts

Where contracts for multiple element products with staged deliverables, such as Globe and Multi-Sat, involve delivery of several different elements which are not fully delivered or performed by the year end, revenue is recognised based on the proportion of the fair value of the elements delivered to the fair value of the respective overall contracts. Where the outcome of contracts that are long term in nature and contracts for ongoing deliverables cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from multiple element contracts is recognised after separating the contract income as follows:

- completed project elements and specific studies that are immediately deliverable – revenue is recognised when the transfer of risk and reward is made to the customer, on dispatch unless otherwise agreed;
- specific studies that are to be completed in the future – revenue is recognised in line with the accounting treatment for “proprietary reports and commissions”; and
- project elements that are to be delivered from development work that is yet to be completed – revenue is recognised when the transfer of risk and rewards is made to the customer, on dispatch unless otherwise agreed.

Notes to the Parent Company financial statements – prepared under UK GAAP *continued*

For the year ended 31 July 2015

1 Principal accounting policies *continued*

1.6 Long-term contracts and work in progress

Costs associated with contracts that are long term in nature are included in inventories to the extent that they cannot be matched with contract work accounted for as revenue. Amounts included in work in progress are stated at cost, including absorption of relevant overheads, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

In assessing the costs associated with projects that are long term in nature, the following assumptions and estimates are made:

- at the commencement of each project an assumption is made concerning the likely revenue from potential sales of that project. Regular impairment reviews reconsider whether that revenue remains achievable; and
- costs are carried forward only to the extent that they do not exceed estimates of the recoverable amounts.

There is no inventory other than in relation to contracts that are long term in nature.

1.7 Foreign currency translation

Where supplies are obtained or sales made on terms denominated in foreign currency, such transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Exchange gains or losses arising on the settlement of monetary items, or the translation of monetary items, are included in profit or loss from operations.

1.8 Share options

When share options are granted a charge is made to the Parent Company profit and loss account and a reserve is created to record the fair value of the awards in accordance with FRS 20 'Share-based Payment'. A charge is recognised in the profit and loss account in relation to share options granted based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, the future risk-free interest rate and exercise behaviour, and is based on the Black Scholes method. When share options are exercised there is a transfer from the share option reserve to retained earnings.

At each balance sheet date the Parent Company revises its estimate of the number of share options that are expected to vest, taking into account those which have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to the share option reserve. If the terms and conditions of share options are modified before they vest, the change in the fair value of the share options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

1.9 Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 August 2014	2,798,398	703,380	3,501,778
Additions	—	259,531	259,531
Disposals	—	—	—
At 31 July 2015	**2,798,398**	**962,911**	**3,761,309**
Depreciation			
At 1 August 2014	251,399	506,872	758,271
Charge for the period	35,968	140,774	176,742
On disposals	—	—	—
At 31 July 2015	**287,367**	**647,646**	**935,013**
Net book value			
At 31 July 2015	**2,511,031**	**315,265**	**2,826,296**
At 31 July 2014	2,546,999	196,508	2,743,507

The net book value of freehold land in the Parent Company, not subject to depreciation, amounted to £1,000,000 (2014: £1,000,000).

3 Intangible assets

	Development costs £	Total £
Cost		
At 1 August 2014	82,867	82,867
Additions	976,831	976,831
At 31 July 2015	**1,059,698**	**1,059,698**
Depreciation		
At 1 August 2014	—	—
Charge for the period	20,321	20,321
On disposals	—	—
At 31 July 2015	**20,321**	**20,321**
Net book value		
At 31 July 2015	**1,039,377**	**1,039,377**
At 31 July 2014	82,867	82,867

Notes to the Parent Company financial statements – prepared under UK GAAP *continued*

For the year ended 31 July 2015

4 Fixed asset investments

	2015 £	2014 £
Shares in group undertakings	5,467,568	—

The Parent Company owns 100% equity interest in Geophysical Exploration Technology Inc., a company incorporated in the USA. The principal activity of Geophysical Exploration Technology Inc. is the marketing of gravity and magnetic data, services and geological evaluations. The cost of US$10 capital stock was £1 and this has been written off in an earlier period. The results of Geophysical Exploration Technology Inc. are included in the consolidated figures for the year.

The Parent Company owns 100% of the Ordinary Share capital in ERCL Limited, a company incorporated in England and Wales. The principal activity of ERCL Limited is specialist international upstream oil and gas consultancy.

In the opinion of the Directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

5 Stocks

	2015 £	2014 £
Work in progress	176,237	180,092

6 Debtors

	2015 £	2014 £
Trade debtors	1,646,684	784,652
Amount owed by Group undertakings	—	1,175,418
Corporation tax repayable	100,000	663,597
Other debtors	18,382	70,173
Prepayments and accrued income	322,489	444,938
Deferred tax (see Note 9)	—	91,002
	2,087,555	3,229,780

7 Creditors – amounts falling due within one year

	2015 £	2014 £
Bank loan	266,132	—
Trade creditors	1,221,639	1,435,671
Amounts owed to Group undertakings	343,581	—
Corporation tax	2,400	—
Other taxation and social security	98,245	76,325
Other creditors	34,913	79
Accruals and deferred income	1,120,832	417,509
Contingent consideration	1,055,399	—
	4,143,141	1,929,584

8 Creditors – amounts falling due after one year

	2015 £	2014 £
Bank loan	765,665	—
Contingent consideration	979,785	—
Deferred tax (see note 9)	108,029	—
	1,853,479	—

Loan Maturity analysis

	2015 £	2014 £
In more than one year but not more than two years	273,226	—
In more than two years but not more than five years	492,439	—
	765,665	—

9 Deferred tax

	2015 £	2014 £
Balance brought forward	91,002	(73,175)
Charge for the year		
Accelerated capital allowances	(17,715)	(15,277)
Tax losses	(183,848)	179,454
Post-employment benefits	2,532	—
Balance carried forward	(108,029)	91,002

10 Share capital

	2015 £	2014 £
Issued, called up and fully paid		
32,729,790 Ordinary Shares of £0.0025 each (2014: 30,316,184)	81,824	75,790

11 Shareholders' funds

	Share capital £	Share premium account £	Merger relief reserve £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 August 2014	75,790	3,012,960	—	6	125,948	3,749,465	6,964,169
Profit for the year	—	—	—	—	—	1,941,574	1,941,574
Share-based payment charge	—	—	—	—	58,912	—	58,912
Issue of capital under share-based payment	592	23,903	—	—	(29,368)	29,368	24,495
Shares issued	5,442	—	1,159,055	—	—	—	1,164,497
Dividends paid	—	—	—	—	—	(683,610)	(683,610)
At 31 July 2015	81,824	3,036,863	1,159,055	6	155,492	5,036,797	9,470,037

Notes to the Parent Company financial statements – prepared under UK GAAP *continued*

For the year ended 31 July 2015

12 Related party transactions

The Parent Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' and has not disclosed transactions with Group undertakings.

The remuneration of the Directors of the Parent Company is set out in Note 7 to the consolidated financial statements.

Transactions with Directors of the Parent Company during the year and outstanding amounts at the balance sheet date were as follows:

	Dividends paid £	Amounts charged to the Group £	Amounts payable at 31 July 2015 £
Executive Directors			
Dr P J Markwick	3,831	–	–
R Wolfson	8,880	–	–
H Edwards	4,005	–	–
Non-executive Directors			
C Glass	12,517	–	–
P F H Stephens	19,159	–	–
Other related parties			
IP Group Limited[1]	–	24,288	–
Noon and Co. Limited[2]	–	18,211	–
Winburn Glass Norfolk[3]	–	42,088	6,900

1 Director's fees and expenses for Dr A M Fielding were paid to IP Group Limited, a company of which Dr A M Fielding is a Director.

2 Director's fees and expenses for P F H Stephens were paid to Noon and Co. Limited, a company of which he is a Director.

3 Director's fees for C Glass of £21,600 (2014: £18,000) and fees for services of £20,488 (2014: £77,890) provided on an arm's length basis in its normal course of business were charged by Winburn Glass Norfolk, Chartered Accountants, a firm of which he is a partner.

Amounts for the year ended 31 July 2014 were as follows:

	Dividends paid £	Amounts charged to the Group £	Amounts payable at 31 July 2014 £
Executive Directors			
Professor J D Fairhead	19,331	–	–
Dr P J Markwick	3,250	–	–
R Wolfson	8,160	–	–
Non-executive Directors			
C Glass	11,502	–	–
P F H Stephens	17,605	–	–
Other related parties			
IP Group Limited[1]	–	20,225	1,685
Noon and Co. Limited[2]	–	18,067	1,985
Winburn Glass Norfolk[3]	–	95,890	6,400

13 Ultimate controlling party

The Directors consider that there is no ultimate controlling party.

14 Profit for the financial year

The Parent Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Parent Company's profit after taxation for the year was £1,941,574 (2014: £1,286,049).

Notice of Annual General Meeting

NOTICE IS GIVEN that the twenty-first Annual General Meeting of Getech Group plc ("the Company") will be held at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ on 8 December 2015 at 12 noon to consider and pass the resolutions below. Resolutions 9 and 10 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary business

To consider and, if thought fit, pass resolutions 1 to 7 as ordinary resolutions.

1 To consider and adopt the Report of the Directors, the Strategic Report and the audited accounts of the Company for the year ended 31 July 2015.

2 To declare a final dividend for the year ended 31 July 2015 of 1.74p per Ordinary Share.

3 To re-elect Paul Carey as a Director of the Company, in accordance with article 35 of the Company's Articles of Association, who offers himself for re-election as a Director of the Company.

4 To re-elect Stuart Paton as a Director of the Company, in accordance with article 35 of the Company's Articles of Association, who offers himself for re-election as a Director of the Company.

5 To re-appoint Huw Edwards, who was appointed since the last Annual General Meeting, in accordance with Article 30 of the Company's Articles of Association, as a Director of the Company.

6 To re-appoint Chris Flavell in accordance with Article 30 of the Company's Articles of Association as a Director of the Company.

7 To re-appoint Grant Thornton UK LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine the auditor's remuneration.

Special business

To consider and, if thought fit, pass the following resolutions which in the case of resolution 8 will be proposed as an ordinary resolution and in the case of resolutions 9 and 10 will be proposed as special resolutions.

8 To authorise the Board generally and unconditionally pursuant to Section 551 of the Companies Act 2006 ("the Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights"):

8.1 up to an aggregate nominal amount of £27,413.12 (being one third of the issued share capital of the Company as at the date of this notice); and

8.2 comprising equity securities (within the meaning of Section 560 of the Act) up to an aggregate nominal amount of £54,826.25 (after deducting from such amount any shares allotted under the authority conferred by virtue of resolution 8.1 in connection with or pursuant to an offer or invitation by way of a rights issue (as defined below),

provided that such authorities shall expire on the earlier of the date falling six months from the expiry of the Company's current financial year and the date of the next Annual General Meeting of the Company after the passing of this resolution unless varied, revoked or renewed by the Company in general meeting save that the Board may, before the expiry of the authorities granted by this resolution, make a further offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Board may allot shares and grant Rights in pursuance of such an offer or agreement as if the authorities conferred by this resolution had not expired and the authorities granted by this resolution are in substitution for all previous authorities granted to the Directors to allot shares and grant Rights which (to the extent that they remain in force and unexercised) are revoked but without prejudice to any allotment or grant of Rights made or entered into prior to the date of this resolution 8.

For the purposes of this resolution 8, rights issue means an offer or invitation to: (i) holders of Ordinary Shares of £0.0025 each in the capital of the Company ("Ordinary Shares") in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date for such allotment; and (ii) persons who are holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the Directors of the Company consider necessary, as permitted by the rights of those securities, to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable instrument) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever.

Notice of Annual General Meeting *continued*

Special resolutions

9 To empower the Board (subject to the passing of resolution 8) pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash:

9.1 pursuant to the authority conferred upon them by resolution 8.1 or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Act, provided that this power shall be limited to the allotment of equity securities:

9.1.1 in connection with or pursuant to an offer of such securities by way of a pre-emptive offer (as defined below); and

9.1.2 (otherwise than pursuant to sub-paragraph 9.1.1 above) up to an aggregate nominal value of £12,335.91 (being 15% of the issued share capital of the Company as at the date of this notice); and

9.2 pursuant to the authority conferred upon them by resolution 8.2, not in connection with or pursuant to a rights issue,

as if Section 561(1) and subsections (1)–(6) of Section 562 of the Act did not apply to any such allotment and the authorities given shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the date of the next Annual General Meeting after the passing of this resolution unless renewed or extended prior to such expiry save that the Company may, before the expiry of any power contained in this resolution, make a further offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the powers conferred by this resolution had not expired.

For the purpose of this resolution 9:

(a) "rights issue" has the meaning given in resolution 8; and

(b) "pre-emptive offer" means a rights issue, open offer or other pre-emptive issue or offer to: (i) holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date(s) for such allotment; and (ii) persons who are holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the Directors of the Company consider necessary, as permitted by the rights of those securities, but subject in both cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever.

10 To authorise the Company generally and unconditionally for the purpose of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares provided that:

10.1 the maximum aggregate number of Ordinary Shares authorised by this resolution to be purchased is 3,289,575 as at the date of this notice (representing 10% of the Company's issued share capital);

10.2 the minimum price which may be paid for such Ordinary Shares is £0.0025 per share (exclusive of advance corporation tax and expenses);

10.3 the maximum price (exclusive of advance corporation tax and expenses) which may be paid for an Ordinary Share is not more than the higher of 5% above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (Commission Regulation 2273/2003); and

10.4 unless previously revoked or varied, the authority conferred by this resolution shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the date of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make a contract or contracts to purchase Ordinary Shares after such expiry as if the power conferred by this resolution had not expired.

By order of the Board

Colin Glass
Company Secretary
3 November 2015

Registered Office
Convention House
St Mary's Street
Leeds LS9 7DP

Notes

1 This notice is the formal notification to shareholders of the Company's Annual General Meeting, its date, time and place and the matters to be considered. If you are in doubt as to what action to take you should consult an independent advisor.

2 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) only those shareholders registered in the register of members of the Company as at 6pm on 6 December 2015 (or if the meeting is adjourned, at 6pm two days prior to the adjourned meeting) as holders of Ordinary Shares of £0.0025 each in the capital of the Company shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6pm on 6 December 2015 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

3 A member of the Company entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote instead of him or her. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. A proxy need not be a member of the Company. Proxy forms must be in the hands of the registrars at least 48 hours before the meeting. Further details of how to appoint a proxy are set out in the notes to the proxy form, which is enclosed with this document.

4 The return of a proxy form will not prevent a member attending the Annual General Meeting and voting in person if he/she so wishes.

5 If a member appoints a proxy or proxies and then decides to attend the Annual General Meeting in person and vote using his/her poll card, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's entire holding, then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the member's entire holding, then if the member indicates on his/her polling card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding. If you do not have a proxy form and/or believe that you should have one or if you require additional forms, please contact the Company at its registered office.

6 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see Note 3 above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services at Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

7 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Asset Services at Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12 noon on 6 December 2015. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 5 above, your appointment will remain valid.

Notice of Annual General Meeting *continued*

Notes *continued*

8 If a corporation is a member of the Company, it may by resolution of its Directors or other governing body authorise one or more persons to act as its representative or representatives at the Meeting and any such representative or representatives shall be entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual member of the Company.

Corporate representatives should bring with them either an original or certified copy of the appropriate Board resolution or an original letter confirming the appointment, provided it is on the corporation's letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory's authority.

9 Copies of Directors' service contracts with the Company and with any of its subsidiary undertakings and letters of appointment of Non-executive Directors will be available for at least 15 minutes prior to the meeting and during the meeting.

10 As at 6 November 2015 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 32,895,748 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 6 November 2015 is 32,895,748.

Explanation of resolutions

Resolution number 1 – accounts

The Directors of the Company are obliged to present to shareholders the report of the Directors and the accounts for the Company for the year ended 31 July 2015. That report and those accounts, and the report of the Company's auditor on those accounts, are set out on pages 11 to 50 of this document.

Resolution number 2 – final dividend

Final dividends must be approved by shareholders but must not exceed the amount recommended by the Directors. If the meeting approves resolution 2, the final dividend in respect of 2015 of 1.74p per Ordinary Share will be paid on 17 December 2015 to shareholders on the register of members on 20 November 2015.

Resolution numbers 3, 4, 5 and 6 – re-election and re-appointment of Directors

At each general meeting one third of the Directors for the time being (other than those appointed since the latest Annual General Meeting) are required to retire. If the number of relevant Directors is not a multiple of three, the number nearest to but not less than one third of Directors should be obliged to retire. Directors due to retire by rotation are those who have been longest in office since their last re-election and as between persons who become or were last re-elected on the same day those due to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election. Paul Carey, Stuart Paton and Colin Glass retire by rotation. Paul Carey and Stuart Paton are offering themselves for re-election. Huw Edwards and Chris Flavell were appointed by the Directors during the year, and offer themselves for re-appointment.

Resolution number 7 – re-appointment of auditor and approving its remuneration

The Company is required to appoint an auditor at each general meeting at which accounts are laid, to hold office until the next general meeting.

The present auditor, Grant Thornton UK LLP, is willing to continue in office for a further year and this resolution proposes its re-appointment and, in accordance with standard practice, authorises the Directors to determine the level of the auditor's remuneration.

Explanation of resolutions *continued*

Resolution number 8 – authority to allot shares

The resolution grants the Directors authority to allot relevant securities up to an aggregate nominal amount of £27,413.12, being one third of the Company's Ordinary Share capital in issue at 6 November 2015.

In line with guidance issued by the Association of British Insurers in December 2008 (as amended in November 2009), resolution 8 grants the Directors of the Company authority to allot unissued share capital in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount of £54,826.25 (representing 21,930,499 Ordinary Shares of £0.0025 each) as reduced by the nominal amount of any shares issued under resolution 8.1. The amount, before any such reduction, represents approximately two thirds of the Company's Ordinary Share capital in issue at 6 November 2015.

It is not the Directors' current intention to allot relevant securities pursuant to this resolution. This authority replaces the existing authority to allot relevant securities but does not affect the ability to allot shares under the share option schemes.

Resolution number 9 – disapplication of statutory pre-emption rights

This resolution disapplies the statutory pre-emption rights which would otherwise apply on an issue of shares for cash and is limited to allotments in connection with rights issues or other pre-emptive offers where the securities attributable to the interests of all shareholders are proportionate (as nearly as may be) to the number of shares held and generally up to a further £12,335.91, being 15% of the Company's Ordinary Share capital in issue at 6 November 2015. This replaces the existing authority to disapply pre-emption rights and expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or six months from the end of the Company's current financial year, whichever is the earlier.

Resolution number 10 – purchase of own shares

In certain circumstances it may be advantageous for the Company to purchase its own shares and this resolution seeks authority to do this. The Directors would only consider making purchases if they believed that such purchases would be in the best interests of shareholders generally, having regard to the effect on earnings per share and the Company's overall financial position.

The resolution gives general authority for the Company to make purchases of up to 3,289,575 Ordinary Shares (being 10% of the Company's Ordinary Share capital in issue at 6 November 2015 at a minimum price of £0.0025 and a maximum price being the higher of 5% above the average of the middle market quotations for Ordinary Shares for the five business days prior to the purchase and the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003 (being the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out)).

Companies are permitted to retain any of their own shares which they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them. The Company will consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

Advisors

Registered office

Convention House
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Nominated advisor and broker

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Auditor

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Solicitors

Bond Dickinson
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Leeds
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Principal bankers

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Registrars

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consultancy, design and production by
designportfolio
design-portfolio.co.uk @WeAre_DP

Design Portfolio is committed to planting trees for every corporate communications project, in association with Trees for Cities.

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