

getech

Getech Group plc
Annual Report and Accounts 2013

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 “Globe” framework.

Driven by an entrepreneurial vision our company now provides a suite of exploration tools ranging from data through to intelligent interpretations and insights which are derived from an extensive range of datasets by our multidisciplinary teams of talented geoscientists.

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or visit www.getech.com

Highlights

Operational highlights

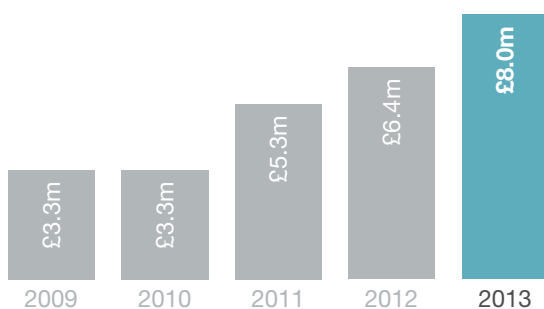
- Five further Globe sponsors committed during the year
- Data sales continued to grow from the record level in the prior year
- Major data sales included several global gravity and magnetic datasets
- Cryosat pilot project converted to full scale three-year project with committed funding in excess of £500k
- Next stage in the Globe flagship product launched – Earth Systems Models which include climate, tide and predictive modelling
- Demand for proprietary work strong
- Leeds offices refurbished to provide better working environment and professional image for visitors

Financial highlights

- Revenue for the year increased by 24% to £8,011,250 (2012: £6,441,107)
- Profit before tax increased by 80% to £2,246,496 (2012: £1,246,838)
- Cash level, including fixed term deposits, increased from £3,010,782 to £4,857,927
- Proposed final dividend for the year of 1.6p (2012: 0.8p), a total of 2.0p for the full year (2012: 1.0p)

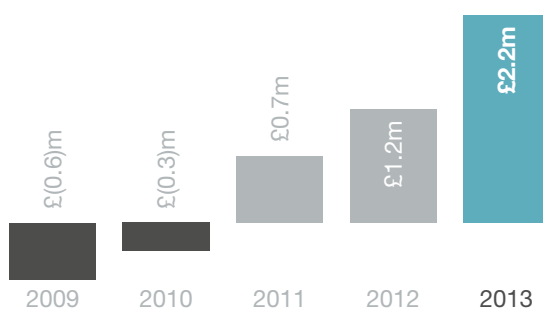
Revenue GBP

£8.0m +24%



Profit before tax GBP

£2.2m +80%



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 – whether it's working on a global, regional, block or smaller scale.

Our eco-system offers a holistic view of how our core services interact, with Globe at the centre.

Globe

Globe is our live GIS earth platform – designed to help our partner clients in their new ventures and asset-based exploration.

The platform is fuelled by our global gravity and magnetic data and delivers state of the art palaeogeographic reconstructions, source to sink characterisation, fully auditable structural solutions and our cutting-edge global plate model.

In collaboration with the leading academic groups in Bristol University and Imperial College, we have now launched our Earth Systems Model suite which builds on Globe to generate climate, tide and predictive models.

Global gravity and magnetic data

In addition to our core services, we archive and license the world's most extensive commercial library of gravity and magnetic data. We have data covering almost every country in the world, at a variety of scales and resolutions.

Reports

Our specialists build higher resolution Reports using the core components of Globe. These reports highlight key exploration opportunities, from continental to sub-basin scales. We feed this knowledge back into Globe to enhance the framework for subsequent reports, keeping us at the cutting edge of exploration.

Commissions

We work closely with our clients on every commission, which might include a depth-to-basement study, block evaluation, training course, or an R&D study. Once we've agreed the scope of the project, we draw on Globe and our Reports to design the work programme.

Chairman's statement



Dr Stuart Paton

Non-executive Chairman

Highlights of the Chairman's Statement

- Record revenue for the year of £8,011k, generating a record profit before tax of £2,246k
- Proposed final dividend for the year ended 31 July 2013 of 1.6p (up 100% on the final dividend for the year ended 31 July 2012 of 0.8p), full year dividend for the year ended 31 July 2013 of 2.0p (2012: 1.0p)
- Five more clients signed up to the three year Globe framework taking total to ten clients
- Very strong data sales, particularly of the global datasets
- Strong technical leadership continues through R&D, presentations at conferences and new technology
- Cash levels remain substantial

I am pleased to make my third report as Chairman of the Company, on the eighth full year results since its admission to AIM, of Getech Group plc and its subsidiary company ("Getech" or "the Group"), for the year ended 31 July 2013. 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 £2,246,496 (2012: £1,246,838) after interest receivable of £30,897 (2012: £6,016) on revenue of £8,011,250 (2012: £6,441,107). The post-tax profit was £1,634,612 (2012: £930,018), giving earnings per share of 5.57p (2012: 3.18p).

Dividends

Getech intends to continue its policy of progressive dividends as appropriate and is proposing a final dividend of 1.6p per share in respect of the year ended 31 July 2013 (2012: 0.8p per share) in addition to the interim dividend of 0.4p per share announced in April 2013.

The final dividend will be paid on 19 December to shareholders on the register of members on 22 November 2013.

Business review

I am pleased to report for the second year running very strong growth in the performance of the Group following on from the turnaround in 2010–2011. The Group generated a record level of revenue which was an increase of 24% on the previous year. Pre-tax profits increased 80% year on year. Both revenue and profits were again significantly ahead of expectations.

We announced a number of major successes during the year in three key areas.

First, our strategic Globe framework has continued to strengthen and during the year we doubled the number of core sponsors from five to ten. We have also seen a continuing benefit in co-marketing Globe and our traditional gravity and magnetic datasets and proprietary consultancy.

Second, demand for our gravity and magnetic data continued to be very strong and we completed a number of major licence deals for our global gravity and magnetic datasets.

Chairman's statement *continued*

“We now have a substantial client base for our core Globe framework and have begun delivery of the next stage in its development – the Earth Systems Models. These are attracting significant interest and we anticipate they will make a strong contribution in 2013–14.”

Third, we were very pleased that our commitment to R&D was validated when the Cryosat project, which we had previously announced as a multi-client funded pilot study, was converted to a full global study with commitments from three clients. In addition, a significant number of Getech staff along with key collaborators presented papers at major international conferences, with very positive feedback.

Outlook

The continuing high oil and gas prices (including a significant recovery in the US) have sustained the ongoing strong performance of the oil and gas sector, particularly for exploration and production companies. We continue to believe strong commodity prices are likely to lead to further increased spending from companies in exploration and hence on the services we offer.

We now have a substantial client base for our core Globe framework and have begun delivery of the next stage in its development – the Earth Systems Models. These are attracting significant interest and we anticipate they will make a strong contribution in 2013–14. Further, Globe continues to provide an environment which encourages increased interaction with our clients, which is essential to the longer term benefits. With the increased number of clients the annual Globe workshops in Leeds and Houston have become a major event in the year.

During the year we have also seen the demand for proprietary projects increasing. This is particularly gratifying as we have been increasingly working with smaller companies at geographical scales which are considerably smaller than previously and where there is a more direct link between our work and the development of these companies.

With the requirement for Exploration and Production (E&P) companies to expand into new frontier basins and to minimise cost at the early stages of such exploration, we consider that there will be a continuation of the strong trend in gravity and magnetic data sales. We believe that the combination of our ever increasing library of products and data, and our strong sales presence in the UK and USA, will reinforce the growth path and we are optimistic about the coming years.

In order to grow our business, we are looking for ways to expand into new areas. We are particularly focused on new business streams which build on our key strengths in accessing and marketing data and integrating the data with a broad multidisciplinary geoscience capability to provide real value to our clients.

With our continuing strong cash position and proven ability to develop the business, we continue to actively look for acquisition opportunities, particularly targeting those which will grow our core areas of expertise. The increase in the market capitalisation of the Group has also increased the range of acquisition targets.

Finally, I would like to say how pleased I am to continue to be involved with the Group and to thank the staff and my fellow Directors for all their hard work and dedication.

Dr Stuart Paton
Non-executive Chairman

Operating review



Raymond Wolfson

Chief Executive Officer

Highlights of the Operating Review

- Continuing growth in revenue (up 24% to £8,011,250) and profits (up 80% to £2,246,496)
- Five additional sponsors for Globe signed up during the year
- Sales of Globe and related reports grew strongly with sales up 75% year on year
- Data continued strong and sales exceeded the previous year's record levels
- The next stage in Globe, Earth Systems Models, has now been launched and the first deliveries made
- Forward visibility of income remains strong by historical standards
- Cash level, including fixed term deposits, rose strongly to £4,857,927 by 31 July 2013

I report that in its eighth year as a public quoted company, Getech Group plc ("Getech" or "the Group") returned a pre-tax profit of £2,246,496 (2012: £1,246,838) for the year ended 31 July 2013.

Business setting

The exploration market in the oil and gas sector continued to be strong throughout the year. This has been well supported by the continuing firm oil price.

We believe that the relative stability of the oil price at historically high levels will continue to provide a sound market environment for exploration giving a very positive outlook for our business.

Business activities

Getech's strength lies in its ability to provide a range of data, services and solutions at scales from global to block level. Key to our success is the ability to understand the needs of our clients and provide high quality solutions to help them in their goal of finding oil and gas resources. We have increased our core Globe sponsorship from five to ten clients and have extended the scope of our offering to provide Earth Systems Models (ESM) which take the existing Globe framework to the next level of utility. ESM comprises a suite of climate, tide and, importantly, predictive models. These build on the core Globe framework, particularly our class-leading palaeogeographies, and provide increasing insight into the origin and development of petroleum systems. The first ESM delivery was made in July 2013 and the interest level from our clients gives us confidence that this will build into a very significant extension of Globe.

We have for many years promoted the value of our larger scale "regional" geological understanding as a means of obtaining stronger insights into exploration at much smaller scales. The Globe framework and the higher resolution studies within that framework provide an ideal platform from which to deliver this regional understanding across the world. During the year, we have generated increasing demand for our consultancy services particularly with companies working at smaller geographical scales. This has enabled us to contribute to exploration at block and prospect scales. The levels of client satisfaction provide validation for our view that the regional scale work facilitates improved and valuable understanding at these much smaller scales.

Operating review *continued*

“This year continued the strong upward trend in revenue and profits. The main reason for this was the growth in our multi-year Globe framework, where income grew by 71% year on year.”

During the year we have extended our relationships with leading universities. Previously we reported we were working with Bristol for climate modelling and Imperial for tide modelling. We have now joined the Basin Structural Group in Leeds. We are also increasing the number and range of commercial associates with whom we work. This provides a highly effective balance of experience, skill and mentoring for our in-house staff and is particularly beneficial in such a tight market for key technical personnel.

In April 2012 we announced that our fully funded Cryosat pilot development project to improve the resolution of satellite data was going ahead. After completion of this project and evaluation of the results, we were very pleased to be able to demonstrate the potential value of our improved methods. We subsequently announced in July 2013 that the pilot would be rolled out to the full global project which is planned to run over three years with confirmed funding in excess of £500,000. This is particularly pleasing as it represents the conversion of the pilot R&D project into a full-scale global study.

This year continued the strong upward trend in revenue and profits. The main reason for this was the growth in our multi-year Globe framework, where income grew by 71% year on year. This was well supported by continued growth in data sales from the record level we achieved in 2011/12.

During the year we made a number of significant individual sales:

- In September 2012 we announced the signature of a call-off contract with total value of €1m and that the first items ordered included part of Globe.
- In October 2012 we announced the signature of two major contracts which included the Globe core sponsorship but also sales of other products, which between them totalled \$2.75m.
- In January 2013, we announced data sales from our global gravity and magnetic datasets amounting to \$1,500k and \$500k respectively.
- In June 2013 we announced a further major sale from these datasets amounting to \$962k.

During the year we have continued to develop and extend Globe, making it increasingly valuable to its sponsors. In October 2013 we had our second year Globe sponsors meetings in Leeds and Houston and these were even more successful than the previous year. The increased number of Globe clients combined with the growing experience of working with Globe, generated a lively and extremely constructive set of discussions and workshops.

During the year we carried out major refurbishment of the offices, providing an improved working environment for staff and a significantly more professional experience for visitors. All our visitors seem impressed with the refurbished offices, and we were particularly pleased to have received so many staff from overseas oil companies at the second set of Globe workshops.

Staff and corporate identity

Our staff are critical to the development of new ideas, insights and delivery of our products. We have continued to strengthen our team in the last year and are leveraging this through collaborations with universities, other geoscience companies and experienced consultants. The office refurbishment was part of our programme to improve the experience for our staff.

We noted last year that we had undergone a strategic rebranding exercise. The results, which include corporate strategies, styles of working, and personal and corporate values, have now been in place for over a year and are increasingly becoming part of our culture. The new brand style (including the logo), which was one of the products of the exercise, has been very well received and we regularly hear strongly positive views on it.

The future

Getech has continued to invest in developing and extending Globe and now has ten clients signed up to the core Globe framework. As noted above, we have launched the next major stage in Globe which comprises the suite of Earth Systems Models. This is attracting increasing interest and we anticipate it will make a significant contribution in the coming years. Globe is increasingly a framework from which we are leveraging additional business including data sales and proprietary work.

We are particularly pleased by the evidence of strongly increasing demand for our proprietary services, at a range of geographical scales and with a range of clients. It is, in our view, significant that the type of work has extended from being predominantly based on our long-established expertise in gravity and magnetic data interpretation to include a much wider range of skills. Further, we are increasingly working with smaller clients and we anticipate that the contribution from this type of work will increase significantly in the coming years.

We are increasingly working with universities that are well known in their fields to make sure that we can deliver leading-edge solutions to our clients, and with commercial associates who can not only contribute to the delivery of project work but also provide a source of expertise that extends our current skillsets. We believe that these will help to reinforce our technical credibility, extend the range of services we can provide and help underpin our future growth.

Finally, for the second year running we have delivered record trading results and once again I would like to thank all our staff and Board colleagues for their unstinting efforts on behalf of Getech. We believe we have made it a company that people want to work for and our team looks forward to the new challenges that the future years will bring.

Raymond Wolfson
Chief Executive Officer

Directors and advisors

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Auditor

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Solicitors

Walker Morris
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Leeds LS1 2HL

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Registrars

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Fenay Bridge
Huddersfield HD8 0LA



Dr Stuart Paton (aged 45)

Non-executive Chairman

Stuart was previously CEO of Dana Petroleum, a FTSE 250 company. Prior to that he was Technical and Commercial Director of Dana. He delivered a number of acquisitions for Dana which was taken over by the Korean National Oil Company. Prior to joining Dana he held a number of roles in Shell. He has a B.A. in Earth Sciences and a Ph.D. in Geology from Cambridge University.



Peter Stephens (aged 58)

Non-executive Director

Peter was previously Head of European Equities Sales at Salomon Brothers and Credit Lyonnais. Since 2001 he has been working as a venture capitalist. He has an M.A. in Jurisprudence from Oxford University and qualified as a Barrister in 1978. He is a founding shareholder of Desire Petroleum plc and is a non-executive director of Tristel plc, a company quoted on AIM.



Dr Paul Markwick (aged 49)

Technical Director

Paul has a B.A. in Geology from St. Edmund Hall, Oxford, and a Ph.D. 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 Paul 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 59)

Chief Executive Officer

Raymond has a B.A. in Physics from Magdalen College, Oxford. He worked for 13 years in BNFL in various management consultancy and commercial roles and then moved to Ernst & Young and qualified as a Chartered Accountant. In 1991 he joined the technology transfer company at the University of Leeds, as Finance Director and later Investment Director.



Colin Glass (aged 70)

Non-executive Finance Director

Colin is a Chartered Accountant and a partner in Winburn Glass Norfolk, Chartered Accountants. He is a founder director of the AIM quoted Surgical Innovations Group plc which reversed into Haemocell plc in 1998 and also a non-executive director of Straight plc, which he assisted in flotation on AIM in 2003. He is a board member of a number of private companies.



Dr Alison Fielding (aged 49)

Non-executive Director

Alison holds an MBA from Manchester Business School, a Ph.D. 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.



Professor Derek Fairhead (aged 68)

President

Derek is the founder of Getech. Derek received a B.Sc. in Geology and Physics from Durham University, an M.Sc. in Geophysics from Newcastle University and a Ph.D. in Geophysics from Newcastle University. He was Managing Director of Getech for over 14 years until his appointment as Executive Chairman in November 2007 and President in October 2009.



Professor Paul Carey (aged 46)

Marketing and Sales Director

Paul has a B.Sc. in Geology and a Ph.D. from Queens 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 Capetown he joined Getech in 2011.

Report of the Directors

The Directors present their report and financial statements for the year ended 31 July 2013.

Principal activity

The Group's principal activity is the provision of data, services and interpreted products which provide geological information and insight to enable explorationists in the petroleum and mining industries to reduce their exploration risks. A detailed business review of the year and future development is included in the Chairman's Statement and the Operating Review on pages 3 to 7. That business review is incorporated in this Report of the Directors by reference.

Results and dividends

The profit for the year before taxation was £2,246,496 (2012: £1,246,838). The revenue for the year was £8,011,250 (2012: £6,441,107). 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 remains very active and is underpinned by the continuing strength of the oil price. Profitability has continued to improve and cash levels have strengthened considerably. Repayment of the debt facility has continued to schedule and the capital outstanding has fallen to £119,048 at 31 July 2013.

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 1.6p per share (2012: 0.8p).

Directors

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

Professor Paul Carey (appointed 1 August 2012)
 Professor Derek Fairhead
 Dr Alison Fielding
 Colin Glass
 Dr Paul Markwick
 Dr Stuart Paton
 Peter Stephens
 Raymond Wolfson

Substantial shareholders

The Parent Company has been notified at 18 September 2013 of the following interests in excess of 3% of its issued Ordinary Share capital:

	Number of Ordinary Shares	% of issued share capital
IP Group plc	7,413,943	24.60
Professor J D Fairhead	4,373,474	14.58
Hargreave Hale	1,887,625	6.26
Dr C M Green	1,797,080	5.96
Quilter Cheviot	1,258,500	4.18
Investec	1,134,240	3.76
University of Leeds	940,426	3.12

Corporate governance

As an AIM listed company, Gettech Group plc applies those principles of good governance appropriate to a group of its size.

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.

Revenue for the year was 24% greater than the previous year. Profit before tax in the year was £2,246,496 which continued the trend over the last four years from loss of £628,000 in 2008/09, loss of £228,000 in 2009/10, profit of £669,702 in 2010/11 and profit of £1,246,838 in 2011/12. The gross cash balance, which is reported partly as cash and cash equivalents and partly as other financial assets, increased from £3,010,782 at 31 July 2012 to £4,857,927 at 31 July 2013. Net cash after the outstanding debt plus deposits in other financial assets improved to £4,738,879. The continued improvement was primarily the result of the addition of five further sponsors to the Globe programme and the continuing strength of data sales.

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

Liquidity risk

The Group's cash reserves increased substantially during the year. While part of this reflects commitments from clients to future work, it also reflects the profits during the year. Internal cost levels have risen 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, although the year has started with a significantly increased level of forward sales commitments.

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.

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.

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 has invested in new and updated IT infrastructure within the year. Controls are in place to maintain the integrity and efficiency of its systems which are regularly backed up, updated and tested.

Oil price

At current price levels fluctuations in the oil price are not regarded as presenting a material risk. However, in the event the oil price fell to significantly lower levels, there may be an adverse impact on demand for our products and services.

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 improved 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.

Creditor payment policy

The Group's strategy is to build mutually beneficial relationships with its key suppliers. So long as suppliers have provided the goods and services in accordance with the previously agreed terms and conditions, the Group's policy is to pay in accordance with those terms. The average number of days for which purchases were outstanding for payment by the Parent Company was 31 (2012: 31 days).

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

C Glass

Company Secretary
28 October 2013

Directors' responsibilities

In respect of the preparation of the financial statements

The Directors are responsible for preparing the 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 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 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 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 2013 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position and 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 auditors

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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013 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 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
28 October 2013

Consolidated statement of comprehensive income

For the year ended 31 July 2013

	Note	2013 £	2012 £
Revenue	5	8,011,250	6,441,107
Cost of sales		(2,520,500)	(2,692,338)
Gross profit		5,490,750	3,748,769
Administrative costs		(3,269,391)	(2,495,161)
Operating profit	6	2,221,359	1,253,608
Finance income	8	30,897	6,016
Finance costs	9	(5,760)	(12,786)
Profit before tax		2,246,496	1,246,838
Income tax expense	10	(611,884)	(316,820)
Profit for the year attributable to owners of the parent		1,634,612	930,018
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on translation of foreign operations		(38,539)	10,949
Total comprehensive income for the year attributable to owners of the parent		1,596,073	940,967
Earnings per share			
Basic earnings per share	12	5.57p	3.18p
Diluted earnings per share	12	5.30p	2.97p

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 2013

Company registration number 2891368

	Note	2013 £	2012 £
Assets			
Non-current assets			
Property, plant and equipment	13	2,752,597	2,639,915
Intangible assets	14	616,257	737,886
Deferred tax assets	10	128,543	249,470
	5	3,497,397	3,627,271
Current assets			
Inventories	15	166,000	60,000
Trade and other receivables	16	2,123,384	2,962,928
Other financial assets	17	500,000	—
Current tax assets		138,885	19,416
Cash and cash equivalents	18	4,357,927	3,010,782
		7,286,196	6,053,126
Total assets		10,783,593	9,680,397
Liabilities			
Current liabilities			
Borrowings	19	119,048	285,714
Trade and other payables	20	3,524,420	3,300,164
Current tax liabilities		108,932	410,199
		3,752,400	3,996,077
Non-current liabilities			
Borrowings	19	—	119,048
Trade and other payables	20	16,338	31,833
Deferred tax liabilities	10	110,175	49,518
		126,513	200,399
Total liabilities		3,878,913	4,196,476
Net assets		6,904,680	5,483,921
Equity			
Equity attributable to owners of the parent			
Share capital	23	75,319	73,093
Share premium account		2,993,092	2,841,538
Capital redemption reserve		6	6
Share option reserve		122,717	188,502
Currency translation reserve		(35,727)	2,812
Retained earnings		3,749,273	2,377,970
Total equity		6,904,680	5,483,921

The financial statements on pages 14 to 43 were approved by the Board of Directors on 28 October 2013.

Dr S M 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 2013

	Note	2013 £	2012 £
Cash flows from operating activities			
Profit before tax		2,246,496	1,246,838
Share-based payment charge		22,574	11,341
Depreciation and amortisation charges	13/14	213,592	202,604
Finance income		(30,897)	(6,016)
Finance costs		5,760	12,786
Exchange adjustments		(77,058)	(35,259)
(Increase)/decrease in inventories		(106,000)	412,634
Decrease/(increase) in trade and other receivables		839,544	(1,362,648)
Increase in trade and other payables		208,761	1,715,801
Cash generated from operations		3,322,772	2,198,081
Income taxes paid		(851,036)	(82,564)
Net cash generated from operating activities		2,471,736	2,115,517
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(190,463)	(51,256)
Funds transferred into fixed term deposits		(500,000)	—
Interest received		30,897	6,016
Net cash used in investing activities		(659,566)	(45,240)
Cash flows from financing activities			
Proceeds from issue of share capital		153,780	—
Repayment of long term borrowings		(285,714)	(285,714)
Equity dividends paid	11	(351,668)	(116,949)
Interest paid		(5,760)	(12,786)
Net cash used in financing activities		(489,362)	(415,449)
Net increase in cash and cash equivalents		1,322,808	1,654,828
Cash and cash equivalents at beginning of year		3,010,782	1,345,327
Exchange adjustments to cash and cash equivalents at beginning of year		24,337	10,627
Cash and cash equivalents at end of year	18	4,357,927	3,010,782

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 2013

	Share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Currency translation reserve £	Retained earnings £	Total £
At 1 August 2011	73,093	2,841,538	6	177,161	(8,137)	1,564,901	4,648,562
Dividends	—	—	—	—	—	(116,949)	(116,949)
Share-based payment charge	—	—	—	11,341	—	—	11,341
Transactions with owners	—	—	—	11,341	—	(116,949)	(105,608)
Profit for the year	—	—	—	—	—	930,018	930,018
Other comprehensive income							
Currency translation differences	—	—	—	—	10,949	—	10,949
Total comprehensive income for the year	—	—	—	—	10,949	930,018	940,967
At 31 July 2012	73,093	2,841,538	6	188,502	2,812	2,377,970	5,483,921
Dividends	—	—	—	—	—	(351,668)	(351,668)
Issue of capital under share-based payment options	2,226	151,554	—	(88,359)	—	88,359	153,780
Share-based payment charge	—	—	—	22,574	—	—	22,574
Transactions with owners	2,226	151,554	—	(65,785)	—	(263,309)	(175,314)
Profit for the year	—	—	—	—	—	1,634,612	1,634,612
Other comprehensive income							
Currency translation differences	—	—	—	—	(38,539)	—	(38,539)
Total comprehensive income for the year	—	—	—	—	(38,539)	1,634,612	1,596,073
At 31 July 2013	75,319	2,993,092	6	122,717	(35,727)	3,749,273	6,904,680

Notes to the consolidated financial statements

For the year ended 31 July 2013

1 Nature of operations

The principal activity of Getech Group plc and its subsidiary company Geophysical Exploration Technology Inc. (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 except in relation to financial instruments held at fair value through profit or loss.

The accounting policies set out below have been applied consistently throughout the Group for the purpose of preparation of the financial statements.

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 improved 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 undertaking drawn up to 31 July 2013. 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 Summary of accounting policies *continued*

4.2 Revenue

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

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, 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. Revenue is recognised when the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably and is estimated by expected time-cost to complete as a proportion of total expected time costs; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Where a contract for services involves delivery of several different elements and is 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 overall contract.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

For sales of data and completed project studies revenue is recognised when the following conditions are satisfied:

- the Group has transferred to the buyer the risks and rewards of the data and studies, which is generally on dispatch;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, which is generally on delivery;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

- completed project elements and specific studies which are immediately deliverable;
- specific studies which are to be completed in the future; and
- project elements which are to be delivered from future core development work.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

4 Summary of accounting policies *continued*

4.3 Inventories

Costs associated with contracts which 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 which 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 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 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 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.

Share options

Where share options are granted a charge is made to the consolidated statement of comprehensive income and a reserve created to record the fair value of the awards in accordance with IFRS 2 'Share-based Payment'. A charge is recognised in the income statement 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, 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 share capital and share premium account.

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 the profit or loss, with a corresponding adjustment to 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 the profit or loss over the remaining vesting period.

4 Summary of accounting policies *continued*

4.6 Research

Research expenditure is charged to the income statement of 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 the income statement 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

Other intangible assets include acquired data holdings, trade name and domain name 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, they are subject to regular impairment review no less frequently than every six months. The following useful lives are applied:

Data holdings	– ten years
Trade name	– ten years
Domain name	– ten years

Amortisation is included within "Administrative costs".

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 categories:

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 the income statement.

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.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

4 Summary of accounting policies *continued*

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 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 the income statement, 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.

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;
- "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 Summary of accounting policies *continued*

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 the income statement. 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 the income statement. 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 the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement 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 liabilities 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 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. The key sources of judgement at the end of the reporting period are:

Recognition of revenue from multiple element contracts

It is judged that revenue from ongoing core development work is generated uniformly over the period between signature of the contract and the completion date.

Share options

Share-based payments are dependent on judgements as to the number of shares which are expected to vest.

Impairment of intangible assets acquired from Lisle Gravity Inc.

The review, by management, of the value in use of the data and assets acquired from Lisle Gravity Inc., as shown in Note 14, in an earlier year included judgements in respect of the future trading performance of those assets and of the relevant discount rate which should be applied.

Deferred tax assets

The realisation of deferred tax assets is dependent partly on the generation of sufficient future taxable profits and on the capital allowances arising on the contingent consideration for the Lisle Gravity Inc. assets acquired in an earlier year. The Group recognises deferred tax assets where it is likely that the benefit will be realised.

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

Contracts which 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 and amounts contracted but not invoiced to customers.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

4 Summary of accounting policies *continued*

4.16 Significant areas of judgement and estimation uncertainty *continued*

Multiple element contracts

Management use estimates in determining the fair value of individual elements of the multiple element contracts. The value of revenue recognised during the year is dependent on estimates of work to completion.

Carrying amount of non-current assets

The reviews of carrying values are 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.

4.17 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 2013 financial statements.

Standard or Interpretation	Effective for reporting periods starting on or after
Annual Improvements 2009–2011 Cycle	1 January 2013
IFRS 7 (amendments) 'Disclosures – Offsetting Financial Assets and Liabilities'	1 January 2014
IFRS 10 'Consolidated Financial Statements'	1 January 2014
IFRS 11 'Joint Arrangements'	1 January 2014
IFRS 12 'Disclosure of Interests in Other Entities'	1 January 2013
IFRS 13 'Fair Value Measurement'	1 January 2013
IAS 19 'Employee Benefits'	1 January 2013
IAS 27 (revised) 'Consolidated and Separate Financial Statements'	1 January 2013
IAS 28 'Investing in Associates and Joint Ventures'	1 January 2013
IAS 32 (amendments) 'Offsetting Financial Assets and Liabilities'	1 January 2014
IAS 36 (amendments) 'Impairment of Assets'	1 January 2014

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.

4.18 Changes in accounting policies

Adoption of 'Presentation of Items of Other Comprehensive Income' (Amendments to IAS 1)

The Group has applied the amendments to IAS 1 'Presentation of Items of Other Comprehensive Income' for the first time in the current year. The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012 and require entities to group items presented in other comprehensive income (OCI) into those that, in accordance with other IFRS, will not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met.

5 Segmental reporting

The Group presents its results in accordance with internal management reporting information, so under IFRS 8 the Group has only one operating segment. The performance of the Group is monitored and measured and strategic decisions made on the basis of the Group's results, which include all items presented under IFRS. This management information therefore accords with Group financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position.

Revenue is reported by geographical location of customers.

Non-current assets are reported by geographical location of assets.

	2013		2012	
	Revenue £	Non-current assets £	Revenue £	Non-current assets £
USA	4,524,900	729,318	2,356,271	957,579
United Kingdom	178,733	2,768,079	359,510	2,669,692
Europe	1,225,062	—	2,207,374	—
Asia	459,653	—	957,950	—
Australasia	1,221,103	—	365,418	—
Africa	87,920	—	72,087	—
South/Central America	313,879	—	122,497	—
	8,011,250	3,497,397	6,441,107	3,627,271

Revenue includes £103,035 (2012: £121,608) in respect of contracts for services.

Within revenue there are sales to one customer exceeding 10% of turnover. The value of those sales is £986,250 (2012: two customers, £1,150,811 and £968,175).

6 Operating profit

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

	2013 £	2012 £
Cost of inventories recognised as an expense	680,228	376,565
Impairment of inventories	—	31,422
Depreciation of property, plant and equipment	77,955	68,079
Amortisation of intangible assets	135,637	134,525
Remuneration receivable by the Group's auditor for audit services:		
– the auditing of the accounts	24,500	23,100
Remuneration receivable by the Group's auditor for non-audit services:		
– other services	3,700	3,500
Operating leases:		
– rental costs of land and building	23,945	22,206
Foreign exchange movement	(132,809)	(68,829)
Share-based payments charge	22,574	11,341
Research and development costs expensed as incurred	123,113	96,529

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

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

7 Directors and employees

The employee benefit expenses during the year were as follows:

	2013 £	2012 £
Salaries	2,719,866	2,183,597
Social security costs	281,524	225,202
Pension costs	96,962	80,665
Share-based payment charge	15,724	11,341
	3,114,076	2,500,805

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

	2013 Number	2012 Number
Directors	4	4
Administration and technical	66	56
	70	60

Remuneration in respect of the Directors was as follows:

	2013					
	Salary £	Fees £	Total salary and fees £	Share-based payment charge £	Total emoluments excluding pensions £	Pension contributions £
Executive						
Professor P F Carey	116,650	—	116,650	2,742	119,392	—
Professor J D Fairhead	102,655	—	102,655	—	102,655	—
Dr P J Markwick	119,265	—	119,265	5,520	124,785	4,250
R Wolfson	129,650	—	129,650	6,038	135,688	5,400
Non-executive						
Dr A M Fielding ¹	—	18,930	18,930	—	18,930	—
C Glass ²	—	16,960	16,960	24	16,984	—
Dr S M Paton	26,500	—	26,500	6,994	33,494	—
P F H Stephens ³	—	17,040	17,040	319	17,359	—
	494,720	52,930	547,650	21,637	569,287	9,650

7 Directors and employees *continued*

	2012					
	Salary £	Fees £	Total salary and fees £	Share-based payment charge/ (credit) £	Total emoluments excluding pensions £	Pension contributions £
Executive						
Professor J D Fairhead	95,770	—	95,770	—	95,770	—
Dr P J Markwick	86,600	—	86,600	3,159	89,759	3,650
I W Somerton	74,100	—	74,100	309	74,409	6,800
R Wolfson	110,600	—	110,600	3,924	114,524	5,100
Non-executive						
Dr A M Fielding ¹	—	18,000	18,000	—	18,000	—
C Glass ²	—	16,000	16,000	309	16,309	—
Dr S M Paton	25,000	—	25,000	6,994	31,994	—
Dr D G Roberts ⁴	—	8,719	8,719	(10,867)	(2,148)	—
P F H Stephens ³	—	16,498	16,498	691	17,189	—
	392,070	59,217	451,287	4,519	455,806	15,550

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.

4 Director's fees for Dr D G Roberts were paid to Rockall Geosciences Limited, a company of which he is a director.

No payments were made to any Director in respect of compensation for loss of office in 2013 or 2012.

There were no benefits in kind in 2013 or 2012.

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 2013

7 Directors and employees *continued*

Directors' share options

Details of the share options held by Directors are:

	Date granted	Exercise period	Option price	Number of shares			
				2012	Granted	Exercised	2013
Professor P F Carey	13 December 2012	13 December 2014 – 12 December 2022	21.3p	—	200,000	—	200,000
Dr P J Markwick	26 August 2005	31 July 2008 – 26 August 2015	9.87p	6,383	—	(6,383)	—
	26 August 2005	31 July 2010 – 26 August 2015	9.87p	4,255	—	(4,255)	—
	26 August 2005	31 July 2011 – 26 August 2015	9.87p	4,255	—	(4,255)	—
	26 August 2005	31 July 2012 – 26 August 2015	9.87p	4,256	—	(4,256)	—
	24 December 2010	24 December 2012 – 23 December 2021	15p	210,000	—	(210,000)	—
	13 December 2012	13 December 2014 – 12 December 2022	21.3p	—	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
	24 December 2010	24 December 2012 – 24 December 2021	20p	540,000	—	(540,000)	—
	13 December 2012	13 December 2014 – 12 December 2022	21.3p	—	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	17.5p	300,000	—	—	300,000
	27 April 2011	27 April 2012 – 27 April 2021	17.5p	200,000	—	—	200,000
	27 April 2011	27 April 2013 – 27 April 2021	17.5p	200,000	—	—	200,000
	27 April 2011	27 April 2014 – 27 April 2021	17.5p	200,000	—	—	200,000
P F H Stephens	24 December 2010	24 December 2012 – 24 December 2021	15p	41,490	—	—	41,490

The market price of the shares at the end of the financial year was 70.50p and the range of market prices during the year was between 27.07p and 70.75p.

8 Finance income

	2013 £	2012 £
Interest on bank deposits	30,897	6,016

9 Finance costs

	2013 £	2012 £
Interest on bank borrowings	5,760	12,786

10 Income tax

The income tax charge comprises:

	2013 £	2012 £
Current income tax		
Current year	433,169	451,226
Prior year	(2,869)	1,607
Total current tax	430,300	452,833
Deferred tax		
Current year	181,584	(140,154)
Prior year	—	4,141
Total deferred tax	181,584	(136,013)
Tax expense on profit	611,884	316,820

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 24% (2012: 26%).

The tax expense for the year can be reconciled to the profit per the consolidated statement of comprehensive income at the standard rate of corporation tax in the UK of 24% (2012: 26%) as follows:

	2013 £	2012 £
Profit on ordinary activities before tax	2,246,496	1,246,838
Tax at UK corporation tax rate of 24% (2012: 26%)	539,159	324,178
Effects of:		
Disallowed expenditure	2,939	1,418
Depreciation not allowable	5,858	6,347
Overseas franchise tax	18,259	9,226
Adjustment in respect of tax rate changes	(10,633)	(5,429)
Adjustment for tax rate changes in foreign jurisdictions	58,909	18,975
Adjustment for tax computation in foreign jurisdictions	262	(43,643)
Adjustment to tax charge in respect of prior years	(2,869)	5,748
Total tax expense reported in the consolidated statement of comprehensive income	611,884	316,820

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

10 Income tax *continued*

Deferred taxation

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

	2013 £	2012 £
Deferred tax assets		
Balance brought forward	249,470	99,519
Share-based payments	(16,927)	(1,049)
Intangible assets of foreign subsidiary company	7,000	40,000
Foreign tax jurisdictions	(111,000)	111,000
Balance carried forward	128,543	249,470
Deferred tax liabilities		
Balance brought forward	(49,518)	(35,580)
Accelerated capital allowances	(23,657)	(13,938)
Foreign tax jurisdictions	(37,000)	—
Balance carried forward	(110,175)	(49,518)

The deferred taxation recognised in the financial statements at 20% (2012: 23%) for UK taxation and 34% (2012: 34%) for USA taxation is set out below:

	2013 £	2012 £
Share-based payments	24,543	41,470
Accelerated capital allowances	(73,175)	(49,518)
Foreign tax jurisdictions	(37,000)	111,000
Intangible assets of foreign subsidiary company	104,000	97,000
Net deferred tax asset	18,368	199,952

The most appropriate tax rate for the Group is considered to be 24% (2012: 26%), the standard rate of profits tax in the UK which is the primary source of profit of the Group.

The deferred tax asset in respect of the UK company is calculated at 20% (2012: 23%) 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

	2013 £	2012 £
Paid during the year		
Final dividend in respect of the year ended 31 July 2012 at 0.8p per share (2011: 0.2p)	234,442	58,474
Interim dividend at 0.4p per share (2012: 0.2p)	117,226	58,475
	351,668	116,949
Proposed after the year end (not recognised as a liability)		
Final dividend in respect of the year ended 31 July 2013 at 1.6p per share (2012: 0.8p)	482,125	233,897

The proposed final dividend for the year ended 31 July 2013 is subject to approval by shareholders at the Annual General Meeting on 10 December 2013.

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.

	2013	2012
Profit attributable to equity holders of the Group	£1,634,612	£930,018
Weighted average number of Ordinary Shares in issue	29,323,481	29,237,151
Basic earnings per share	5.57p	3.18p
Diluted earnings per share	5.30p	2.97p

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 2013 is 1,494,138 (2012: 2,040,924).

Of the share options granted at 31 July 2013, 600,000 were anti-dilutive because the conditions for exercise had not been met (2012: 529,789).

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

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 2011	2,749,631	594,239	3,343,870
Additions	—	51,256	51,256
Disposals	—	(18,179)	(18,179)
Exchange differences	—	7,300	7,300
At 31 July 2012	2,749,631	634,616	3,384,247
Additions	45,617	144,846	190,463
Exchange differences	—	4,524	4,524
At 31 July 2013	2,795,248	783,986	3,579,234
Depreciation			
At 1 August 2011	145,496	542,147	687,643
Charge for the period	34,992	33,087	68,079
Disposals	—	(18,179)	(18,179)
Exchange differences	—	6,789	6,789
At 31 July 2012	180,488	563,844	744,332
Charge for the period	34,992	42,963	77,955
Exchange differences	—	4,350	4,350
At 31 July 2013	215,480	611,157	826,637
Carrying amount			
At 31 July 2013	2,579,768	172,829	2,752,597
At 31 July 2012	2,569,143	70,772	2,639,915
At 1 August 2011	2,604,135	52,092	2,656,227

The carrying amount of freehold land not subject to depreciation amounted to £1,000,000 (2012: £1,000,000).

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

14 Intangible assets

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

	Data holdings £	Trade and domain names £	Total £
Cost			
At 1 August 2011	1,220,182	2,031	1,222,213
Exchange differences	55,559	—	55,559
At 31 July 2012	1,275,741	2,031	1,277,772
Exchange differences	33,819	—	33,819
At 31 July 2013	1,309,560	2,031	1,311,591
Amortisation			
At 1 August 2011	382,841	2,031	384,872
Charge for the period	134,525	—	134,525
Exchange differences	20,489	—	20,489
At 31 July 2012	537,855	2,031	539,886
Charge for the period	135,637	—	135,637
Exchange differences	19,811	—	19,811
At 31 July 2013	693,303	2,031	695,334
Carrying amount			
At 31 July 2013	616,257	—	616,257
At 31 July 2012	737,886	—	737,886
At 1 August 2011	837,341	—	837,341

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

15 Inventories

	2013 £	2012 £
Work in progress	166,000	60,000

There is a charge included in the income statement for the year of £nil (2012: £31,422) as an expense arising from an impairment review of inventories.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

16 Trade and other receivables

	2013 £	2012 £
Trade receivables	1,783,281	2,563,465
Social security and other taxes	128,718	14,037
Other receivables	4,630	4,506
Prepayments and accrued income	206,755	380,920
	2,123,384	2,962,928

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

All of the Group's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired and a provision of £nil (2012: £nil) was recorded accordingly. 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:

	2013 £	2012 £
Not more than three months	174,073	47,507
More than three months but not more than six months	57,290	258,772
More than one year	—	277,898
	231,363	584,177

17 Other financial assets

	2013 £	2012 £
Fixed term bank deposits	500,000	—

18 Cash and cash equivalents

	2013 £	2012 £
Cash at bank and in hand	4,357,927	3,010,782

19 Borrowings at amortised cost

The bank loan carries a variable interest rate of 1.6% above LIBOR and is repayable in equal monthly instalments. The loan matures in 2013 and is secured by land and buildings owned by the Parent Company with a current carrying amount of £2,579,768 (2012: £2,569,143).

20 Trade and other trade payables

	2013 £	2012 £
Current liabilities		
Trade payables	1,286,832	1,261,073
Social security and other taxes	76,477	62,522
Other payables	37,343	26,987
Accruals and deferred income	2,123,768	1,949,582
	3,524,420	3,300,164
Non-current liabilities		
Other payables	16,338	31,833

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 review 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.

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 2013. 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 2013. 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:

	2013		2012	
	+10% £	-10% £	+10% £	-10% £
Profit before tax	2,246,496	2,246,496	1,246,838	1,246,838
Sensitivity to movement in currency exchange rates				
US dollar	(411,592)	503,057	(166,719)	203,768
Euro	(123,057)	150,402	39,292	(48,024)
Profit before tax	1,711,847	2,899,955	1,119,411	1,402,582

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.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

21 Financial instruments *continued*

Foreign currency risk *continued*

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

	2013 £	2012 £
Denominated in US dollars		
Financial assets	2,042,443	2,431,078
Financial liabilities	(1,527,786)	(1,921,980)
Exposure	514,657	509,098
Denominated in euros		
Financial assets	293,131	149,412
Financial liabilities	(2,887)	(29,022)
Exposure	290,244	120,390

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:

	2013 £	2012 £
Classes of financial assets – carrying amounts		
Trade and other receivables	1,786,946	2,691,689
Other financial assets	500,000	—
Cash and cash equivalents	4,357,927	3,010,782
	6,644,873	5,702,471

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 2013 the Group had bank borrowings of £119,048 (2012: £404,672). It is exposed to changes in market interest rates through its bank borrowings, which are subject to variable rates – see Note 19 for further information. The Group also had cash subject to variable rates of £2,772,340 (2012: £3,010,782). There is no other material interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. 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.

	2013		2012	
	+1% £	-1% £	+1% £	-1% £
Profit before tax	2,276,940	2,243,774	1,246,174	1,247,502

21 Financial instruments *continued*

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 £	2013 £
Borrowings – held at amortised cost	121,548	—	—	121,548
Trade and other payables – held at amortised cost	1,838,784	—	—	1,838,784
Trade and other payables – held at fair value through profit or loss	16,338	16,337	—	32,675
	1,976,670	16,337	—	1,993,007

	Within one year £	In one to two years £	In two to five years £	2012 £
Borrowings – held at amortised cost	291,901	121,626	—	413,527
Trade and other payables – held at amortised cost	1,610,076	—	—	1,610,076
Trade and other payables – held at fair value through profit or loss	15,916	15,916	15,917	47,749
	1,917,893	137,542	15,917	2,071,352

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

	2013 £	2012 £
Current assets – loans and receivables		
Trade and other receivables	1,786,946	2,691,689
Other financial assets	500,000	—
Cash and cash equivalents	4,357,927	3,010,782
	6,644,873	5,702,471
Current liabilities		
Borrowings – held at amortised cost	(119,048)	(285,714)
Trade and other payables – held at amortised cost	(1,838,784)	(1,610,076)
Trade and other payables – held at fair value through profit or loss	(16,338)	(15,916)
	(1,974,170)	(1,911,706)
Non-current liabilities		
Borrowings – held at amortised cost	—	(119,048)
Trade and other payables – held at fair value through profit or loss	(16,337)	(31,833)
	(16,337)	(150,881)
Net financial assets and liabilities	4,654,366	3,639,884

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2013 and 2012. Items carried at fair value through profit or loss are valued in accordance with Level 2 as defined in IFRS 7 'Financial Instruments' i.e. inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

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.

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:

	2013 £	2012 £
Total equity	6,904,680	5,483,921
Less: cash and cash equivalents	(4,357,927)	(3,010,782)
	2,546,753	2,473,139

In order to achieve the Group's objectives in capital management, the goal is to maintain adequate capital with the minimum appropriate borrowing. The Directors are satisfied that the current level of borrowing is appropriate to the needs of the Group. The only external capital requirements relate to the bank loan agreement with which the Group has complied. The Group has met its stated objectives for the year.

23 Share capital

	2013 £	2012 £
Authorised		
90,000,000 Ordinary Shares of £0.0025 each (2012: 90,000,000)	225,000	225,000
Issued, called up and fully paid		
30,127,465 Ordinary Shares of £0.0025 each (2012: 29,237,151)	75,319	73,093
	2013 Number	2012 Number
Shares issued, called up and fully paid		
Balance brought forward	29,237,151	29,237,151
Shares issued under share-based payments	890,314	—
Balance carried forward	30,127,465	29,237,151

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

Date	Number of shares			2013
	9.87p/share	15p/share	20p/share	
16 November 2012	68,085	—	—	68,085
21 January 2013	—	1,200	—	1,200
29 May 2013	—	6,000	—	6,000
30 May 2013	19,148	—	—	19,148
30 May 2013	—	1,200	—	1,200
12 July 2013	25,532	—	—	25,532
17 July 2013	—	—	540,000	540,000
17 July 2013	—	210,000	—	210,000
17 July 2013	19,149	—	—	19,149
	131,914	218,400	540,000	890,314

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 2013 the Group operated an Approved Enterprise Management Incentive (EMI) share scheme and an Unapproved Options scheme.

During the year share options were granted for 600,000 Ordinary Shares as set out in the table. The fair value of these options was calculated using the Black Scholes model, the inputs into which were:

Share price	43.0p
Exercise price	21.3p
Expected volatility	45.8%
Risk-free rate	0.5%
Expected time to exercise	6 years

Volatility is calculated by applying a standard statistical model to the closing monthly share price over the twelve months immediately preceding the grant of options.

At 31 July 2013 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI share scheme

Exercise period	Number of shares				2013
	2012	Granted	Exercised	Lapsed or redesignated as unapproved from EMI share scheme	
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	178,723	—	(48,936)	(25,532)	104,255
31 July 2010 – 26 August 2015	138,298	—	(31,913)	(19,149)	87,236
31 July 2011 – 26 August 2015	138,298	—	(12,765)	(19,149)	106,384
31 July 2012 – 26 August 2015	138,299	—	(12,768)	(19,149)	106,382
	593,618	—	(106,382)	(82,979)	404,257
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	310,498	—	(218,400)	(2,400)	89,698
Granted 24 December 2010, exercise price: 20p per share					
24 December 2012 – 24 December 2020	540,000	—	(540,000)	—	—
Granted 13 December 2012, exercise price: 21.3p per share					
13 December 2014 – 12 December 2022	—	600,000	—	—	600,000
Total EMI share scheme options	1,444,116	600,000	(864,782)	(85,379)	1,093,955

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

24 Share-based payments *continued* Unapproved option scheme

Exercise period	Number of shares				2013
	2012	Granted	Exercised	Lapsed or redesignated as unapproved from EMI share scheme	
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	51,064	—	(25,532)	25,532	51,064
31 July 2010 – 26 August 2015	38,298	—	—	19,149	57,447
31 July 2011 – 26 August 2015	38,298	—	—	19,149	57,447
31 July 2012 – 26 August 2015	38,298	—	—	19,149	57,447
	165,958	—	(25,532)	82,979	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	1,126,597	—	(25,532)	82,979	1,184,044
Total EMI share scheme and unapproved options	2,570,713	600,000	(890,314)	(2,400)	2,277,999
				Weighted average exercise price	Number
Options outstanding at 31 July 2013				21.30p	600,000
Options exercisable at 31 July 2013				14.42p	1,677,999
					2,277,999

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	68,085	16 November 2012	45.11p
24 December 2010	EMI	1,200	21 January 2013	56.67p
24 December 2010	EMI	6,000	29 May 2013	58.50p
26 August 2005	EMI	19,148	30 May 2013	58.50p
24 December 2010	EMI	1,200	30 May 2013	58.50p
26 August 2005	Unapproved	25,532	12 July 2013	64.50p
24 December 2010	EMI	540,000	17 July 2013	70.75p
24 December 2010	EMI	210,000	17 July 2013	70.75p
26 August 2005	EMI	19,149	17 July 2013	70.75p

24 Share-based payments *continued*

At 31 July 2012 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI share scheme

Exercise period	Number of shares				2012
	2011	Granted	Exercised	Lapsed	
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 26 August 2015	178,723	—	—	—	178,723
31 July 2010 – 26 August 2015	138,298	—	—	—	138,298
31 July 2011 – 26 August 2015	138,298	—	—	—	138,298
31 July 2012 – 26 August 2015	138,299	—	—	—	138,299
	593,618	—	—	—	593,618
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	316,498	—	—	(6,000)	310,498
Granted 24 December 2010, exercise price: 20p per share					
24 December 2012 – 24 December 2020	540,000	—	—	—	540,000
Total EMI share scheme options	1,450,116	—	—	(6,000)	1,444,116

Unapproved option scheme

Exercise period	Number of shares				2012
	2011	Granted	Exercised	Lapsed	
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	38,298	—	—	—	38,298
31 July 2011 – 26 August 2015	38,298	—	—	—	38,298
31 July 2012 – 26 August 2015	38,298	—	—	—	38,298
	165,958	—	—	—	165,958
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	102,129	—	—	(41,490)	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	1,168,087	—	—	(41,490)	1,126,597
Total EMI share scheme and unapproved options	2,618,203	—	—	(47,490)	2,570,713

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2013

24 Share-based payments *continued*

	Weighted average exercise price	Number
Options outstanding at 31 July 2012	17.96p	911,137
Options exercisable at 31 July 2012	14.01p	1,659,576
		2,570,713

25 Contingent liabilities and financial commitments

Contingent liabilities

There were no contingent liabilities at 31 July 2013 (2012: £nil).

Operating leases

At 31 July 2013 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2013 Land and buildings £	2012 Land and buildings £
In less than one year	6,032	—
In one to two years	—	22,895
	6,032	22,895

Capital commitments

	2013 £	2012 £
Contracts placed for future capital expenditure not provided in the accounts	—	—

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:

	2013 £	2012 £
Short term employee benefits	274,596	357,111
Post-employment benefits	17,023	16,308
Share-based payments	286	947
	291,905	374,366

26 Related party transactions *continued*

The total key management compensation during the year was as follows:

	2013 £	2012 £
Short term employee benefits	769,316	749,181
Post-employment benefits	26,673	31,858
Equity compensation benefits	14,300	5,466
	810,289	786,505

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 £72,144 during the year (2012: £44,421).

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

	Amounts payable at 31 July 2013 £
IP Group Limited ¹	1,590
Noon and Co Limited ²	5,653
Winburn Glass Norfolk ³	7,296

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 £76,094 (2012: £65,320) 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 £96,962 (2012: £80,665).

Parent Company balance sheet – prepared under UK GAAP

As at 31 July 2013

Company registration number 2891368

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	2	2,743,536	2,628,221
Investments	3	—	—
		2,743,536	2,628,221
Current assets			
Stocks	4	166,000	60,000
Debtors	5	1,745,521	2,457,513
Cash at bank and in hand		4,635,522	2,750,559
		6,547,043	5,268,072
Creditors – amounts falling due within one year	6	(2,964,271)	(2,531,911)
Net current assets		3,582,772	2,736,161
Total assets less current liabilities		6,326,308	5,364,382
Creditors – amounts falling due after more than one year	7	—	(119,048)
Provisions for liabilities			
Deferred taxation	8	(73,175)	(49,518)
Net assets		6,253,133	5,195,816
Representing:			
Capital and reserves			
Called up share capital	9	75,319	73,093
Share premium account	10	2,993,092	2,841,538
Capital redemption reserve	10	6	6
Share option reserve	10	122,717	188,502
Profit and loss account	10	3,061,999	2,092,677
Shareholders' funds	10	6,253,133	5,195,816

The financial statements on pages 44 to 50 were approved by the Board on 28 October 2013.

S M 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 2013

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.

13 Revenue

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

In respect of contracts which are long term in nature and contracts for ongoing services, revenue, restricted to the amounts of costs that can be recovered, 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. Revenue is recognised when the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably and is estimated by expected time-cost to complete as a proportion of the total expected time costs; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Where a contract for services involves delivery of several different elements and is 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 overall contract.

Where the outcome of contracts which are long term in nature and contracts for ongoing services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

For sales of data and completed project studies revenue is recognised when the following conditions are satisfied:

- the Company has transferred to the buyer the risks and rewards of the data and studies, which is generally on dispatch;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, which is generally on delivery;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

- completed project elements and specific studies which are immediately deliverable;
- specific studies which are to be completed in the future; and
- project elements which are to be delivered from future core development work.

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

For the year ended 31 July 2013

1 Principal accounting policies *continued*

1.4 Long term contracts and work in progress

Costs associated with contracts which 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 which are long term in nature.

1.5 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.

1.6 Share options

When share options are granted a charge is made to the Parent Company profit and loss account and a reserve 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, 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 share capital and share premium account.

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 the profit or loss over the remaining vesting period.

1.7 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 2012	2,749,631	466,736	3,216,367
Additions	45,617	142,383	188,000
At 31 July 2013	2,795,248	609,119	3,404,367
Depreciation			
At 1 August 2012	180,488	407,658	588,146
Charge for the period	34,992	37,693	72,685
At 31 July 2013	215,480	445,351	660,831
Net book value			
At 31 July 2013	2,579,768	163,768	2,743,536
At 31 July 2012	2,569,143	59,078	2,628,221

The net book value of freehold land in the Parent Company, not subject to depreciation, amounted to £1,000,000 (2012: £1,000,000).

3 Fixed asset investments

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 \$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.

4 Stocks

	2013 £	2012 £
Work in progress	166,000	60,000

5 Debtors

	2013 £	2012 £
Trade debtors	693,309	1,050,433
Amount owed by Group undertakings	734,761	1,021,098
Corporation tax repayable	2,947	2,007
Other debtors	133,348	18,543
Prepayments and accrued income	181,156	365,432
	1,745,521	2,457,513

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

For the year ended 31 July 2013

6 Creditors – amounts falling due within one year

	2013 £	2012 £
Bank loan	119,048	285,714
Trade creditors	1,277,578	1,259,124
Corporation tax	108,932	222,199
Other taxation and social security	76,477	62,412
Other creditors	21,006	11,071
Accruals and deferred income	1,361,230	691,391
	2,964,271	2,531,911

The bank loan is secured by land and buildings owned by the Company.

7 Creditors – amounts falling due after more than one year

Included in creditors falling due after more than one year is a bank loan repayable as follows:

	2013 £	2012 £
Repayable in one to two years	—	119,048

8 Deferred tax liability

	2013 £	2012 £
Balance brought forward	49,518	35,580
Charge for the year – accelerated capital allowances	23,657	13,938
Balance carried forward	73,175	49,518

9 Share capital

	2013 £	2012 £
Issued, called up and fully paid		
30,127,465 Ordinary Shares of £0.0025 each (2012: 29,237,151)	75,319	73,093

10 Shareholders' funds

	Share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 August 2012	73,093	2,841,538	6	188,502	2,092,677	5,195,816
Profit for the year	—	—	—	—	1,232,631	1,232,631
Share-based payment charge	—	—	—	22,574	—	22,574
Issue of capital under share-based payment options	2,226	151,554	—	(88,359)	88,359	153,780
Dividends paid	—	—	—	—	(351,668)	(351,668)
At 31 July 2013	75,319	2,993,092	6	122,717	3,061,999	6,253,133

11 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:

	2013		
	Dividends paid £	Amounts charged to the Group £	Amounts payable at 31 July £
Executive Directors:			
Professor J D Fairhead	52,721	—	—
Dr P J Markwick	280	—	—
R Wolfson	520	—	—
Non-executive Directors:			
C Glass	6,885	—	—
P F H Stephens	11,736	—	—
Other related parties:			
IP Group Limited ¹	—	18,995	1,590
Noon and Co Limited ²	—	17,493	5,653
Winburn Glass Norfolk ³	—	93,054	7,296
<hr/>			
	2012		
	Dividends paid £	Amounts charged to the Group £	Amounts payable at 31 July £
Executive Directors:			
Professor J D Fairhead	35,574	—	5,000
Dr P J Markwick	—	—	12,500
I W Somerton	—	—	5,000
R Wolfson	160	—	7,500
Non-executive Directors:			
C Glass	2,295	—	—
P F H Stephens	6,212	—	—
Other related parties:			
IP Group Limited ¹	—	18,082	4,200
Noon and Co. Limited ²	—	17,103	3,999
S M Paton	—	3,034	—
Rockall Geosciences Limited ⁴	—	8,479	—
Winburn Glass Norfolk ³	—	81,320	7,200

1 Director's fees and expenses 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 of £16,960 (2012: £16,000) and fees for services of £76,094 (2012: £65,320) 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.

4 Director's fees and expenses for Dr D G Roberts were paid to Rockall Geosciences Limited, a company of which he is a director.

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

For the year ended 31 July 2013

12 Capital commitments

	2013 £	2012 £
Capital expenditure		
Contracted for	—	—

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 £1,232,631 (2012: £738,504).

Notice of Annual General Meeting

NOTICE IS GIVEN that the nineteenth Annual General Meeting of Getech Group plc ("the Company") will be held at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ on 10 December 2013 at 12 noon to consider and pass the resolutions below. Resolutions 8 and 9 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 6 as ordinary resolutions.

- 1 To consider and adopt the Directors' Report and the audited accounts of the Company for the year ended 31 July 2013.
- 2 To declare a final dividend for the year ended 31 July 2013 of 1.6p per Ordinary Share.
- 3 To re-elect Colin Glass 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 Paul Markwick 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-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.
- 6 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 7 will be proposed as an ordinary resolution and in the case of resolutions 8 and 9 will be proposed as special resolutions.

- 7 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"):
 - 7.1 up to an aggregate nominal amount of £25,110.72 (being one third of the issued share capital of the Company as at the date of this notice); and
 - 7.2 comprising equity securities (within the meaning of Section 560 of the Act) up to an aggregate nominal amount of £50,221.44 (after deducting from such amount any shares allotted under the authority conferred by virtue of resolution 7.1 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 7.

For the purposes of this resolution 7, 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

- 8 To empower the Board (subject to the passing of resolution 7) pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash:
- 8.1 pursuant to the authority conferred upon them by resolution 7.1 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:
- 8.1.1 in connection with or pursuant to an offer of such securities by way of a pre-emptive offer (as defined below); and
- 8.1.2 (otherwise than pursuant to sub-paragraph 8.1.1 above) up to an aggregate nominal value of £11,299.82 (being 15% of the issued share capital of the Company as the date of this notice); and
- 8.2 pursuant to the authority conferred upon them by resolution 7.2, 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 8:

- (a) “rights issue” has the meaning given in resolution 7; 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.

Special resolutions *continued*

- 9 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:
- 9.1 the maximum aggregate number of Ordinary Shares authorised by this resolution to be purchased is 3,013,286 (representing 10% of the Company's issued share capital) as at the date of this notice;
 - 9.2 the minimum price which may be paid for such Ordinary Shares is £0.0025 per share (exclusive of advance corporation tax and expenses);
 - 9.3 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
 - 9.4 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 the 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

C Glass

Company Secretary
11 November 2013

Registered Office

Convention House
St Mary's Street
Leeds LS9 7DP

Notice of Annual General Meeting *continued*

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 8 December 2013 (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 8 December 2013 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 issued 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 8 December 2013. 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.

- 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 8 November 2013 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 30,132,865 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 8 November 2013 is 30,132,865.

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 2013. That report and those accounts, and the report of the Company's auditor on those accounts, are set out on pages 10 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 2013 of 1.6p per Ordinary Share will be paid on 19 December 2013 to shareholders on the register of members on 22 November 2013.

Resolution numbers 3, 4 and 5 – re-election 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. Colin Glass, Paul Markwick and Stuart Paton retire by rotation and are offering themselves for re-election.

Resolution number 6 – 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.

Resolution number 7 – authority to allot shares

The resolution grants the Directors authority to allot relevant securities up to an aggregate nominal amount of £25,110.72 being one third of the Company's Ordinary Share capital in issue at 8 November 2013.

In line with guidance issued by the Association of British Insurers in December 2008, as amended in November 2009, resolution 7 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 £50,221.44 (representing 20,088,577 Ordinary Shares of £0.0025 each) as reduced by the nominal amount of any shares issued under resolution 7.1. The amount, before any such reduction, represents approximately two thirds of the Company's Ordinary Share capital in issue at 8 November 2013.

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 8 – 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 £11,299.82 being 15% of the Company's Ordinary Share capital in issue at 8 November 2013. 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 the resolution or six months from the end of the Company's current financial year, whichever is the earlier.

Notice of Annual General Meeting *continued*

Explanation of resolutions *continued*

Resolution number 9 – 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 3,013,286 Ordinary Shares (being 10% of the Company's Ordinary Share capital in issue at 8 November 2013 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.



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