

Getech Group plc
Annual Report and Accounts 2014

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 provides a suite of exploration tools ranging from data through to intelligent interpretations and insights which are derived from an extensive range of data-sets by our multidisciplinary teams of talented geoscientists.

STRATEGIC REPORT

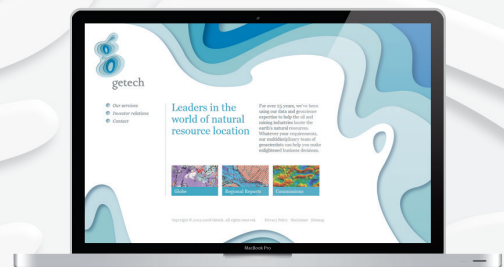
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Chairman's statement



Dr Stuart Paton

Non-executive Chairman

Highlights of the Chairman's Statement

- Revenue for the year of £6,593k, generating a profit before tax of £1,001k and profit after tax of £1,575k
- Proposed final dividend for the year ended 31 July 2014 of 1.76p (up 10% on the final dividend for the year ended July 2013 of 1.60p); full-year dividend for the year ended 31 July 2014 of 2.20p (2013: 2.00p)
- Cash level of £3,422,594 at 31 July 2014
- Difficult year for the industry as a whole but very strong last quarter performance

I am pleased to make my fourth report as Chairman of Getech Group plc and its subsidiary company ("Getech" or "the Group"), for the year ended 31 July 2014. Getech is a geoscience services business specialising in the provision of data, studies and services to the oil, gas and mining exploration sectors.

Results

I report a Group profit before tax of £1,000,816 (2013: £2,246,496) after interest receivable of £32,914 (2013: £30,897) on revenue of £6,592,798 (2013: £8,011,250). The post-tax profit was £1,575,228 (2013: £1,634,612), giving earnings per share of 5.21p (2013: earnings per share 5.57p). The post-tax profit was positively impacted by UK R&D tax credits.

Dividends

Getech intends to continue its progressive dividend policy as appropriate and is proposing a final dividend of 1.76p per share in respect of the year to 31 July 2014 (2013: 1.60p per share) in addition to the interim dividend of 0.44p per share announced in April 2014. The final dividend will be paid on 18 December to shareholders on the register of members on 21 November.

Business review

The financial year 2013–14 was a much more challenging operating environment for the business than the previous two years. There was significantly lower capital expenditure in the upstream sector, due largely to uncertainty about the global economy and hence downward pressure on the oil price, and the cyclical reassessment of expenditure following a number of strong years with cost growth. This reduction appears to have particularly impacted on exploration expenditure, much of which is discretionary and can be cut back without having immediate impact on production and hence earnings. In addition, the last year has been disappointing generally for international exploration with a number of key wells, in new plays, being unsuccessful, which has led to companies reconsidering their exploration expenditure. These trends significantly impacted on Getech's earnings in the first nine months of 2013–14 in particular.

The last quarter of the financial year showed a much stronger environment, with companies committing to expenditure with Getech and consequent impact on the sales pipeline and

Chairman's statement *continued*

“Globe continues to provide an environment that encourages increased interaction with our clients, which is essential to the longer-term benefits of improved exploration performance. With the increased number of clients the annual Globe workshops in Leeds and Houston have become a major event in the year.”

Business review *continued*

signed contracts. On 11 June 2014, the Company announced a US\$2m contract for a range of products, followed by two contracts worth US\$600k and US\$500k for US domestic data. The Company also announced that it had secured six clients for its innovative multi-satellite gravity project with income in excess of £1m. These contracts underpinned a strong final quarter for Getech. They demonstrate that Getech's technical capabilities are still valued by the industry and that the Company offers key insights as part of the exploration process.

Outlook

Two interlinked factors will impact on Getech's business in the current year and for the near future. There appears to be increasing concern about the growth prospects for the global economy, largely due to concerns about China. This is already having an impact on oil prices, which have softened significantly in the last few months. Given the pullback in exploration spending in 2014, we believe expenditure will not reach the previous high points

of 2012 in the near future. We have, however, seen a strong start to the current financial year with a number of large contracts already secured.

There are four areas where we believe we have a strong foundation for growing the business in the short to medium term:

First, our Globe framework, which entered its second phase in August 2014, has seen continued support from the larger exploration and production companies. They clearly see the value of Getech's support in improving their exploration performance. Globe continues to provide an environment that encourages increased interaction with our clients, which is essential to the longer-term benefits of improved exploration performance. With the increased number of clients the annual Globe workshops in Leeds and Houston have become a major event in the year.

Second, we have seen increased demand for proprietary projects. This is partly as a result of the Globe framework, but also increased interest from national oil companies (NOC), as most obviously witnessed by our largest ever contract of US\$5m with Sonangol announced on 8 September. We are extremely pleased that we have continued our strong working relationship with Sonangol and hope that this will lead to further large contracts with other NOCs. The Globe framework also allows us to deal with a wider range of companies at geographical scales that are considerably smaller than previously and this will be a major focus of attention in the coming year.

Third, we have seen continuing sales of our gravity and magnetic data-sets, particularly in the US where exploration spend continues to be very strong.

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

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

Dr Stuart Paton
Non-executive Chairman

Operating review



Raymond Wolfson
Chief Executive Officer

Highlights of the Operating Review

- Revenue and cash held up well in a difficult market due to increased forward commitments through Globe sponsorships, proprietary contracts, and long-term multi-client R&D projects
- Revenue of £6,592,798 (down 18% from £8,011,250) and profits of £1,000,816 (down 55% from £2,246,496)
- Successful completion of the first three year build period of Globe
- Commissions division revenue more than doubled in the year
- Major sales (US\$1.1m from two contracts alone) out of the upgraded US domestic gravity data-set
- Backdated claim for R&D tax relief boosts profits after tax to £1,575,228, giving earnings per share of 5.21p

I report that in our ninth year as a public quoted company, Getech returned a pre-tax profit of £1,000,816 (2013: £2,246,496) for the year ended 31 July 2014.

Business setting

The exploration market in the oil and gas sector went through a difficult period during the year. Poor exploration success combined with increasing seismic and well costs generated a cautious environment and expenditure on exploration in general was reduced. Many of the exploration service companies and consultancies suffered as a result. Getech could not avoid this effect, although its increased resilience due to the Globe sponsorship and a number of longer-term projects reduced the short-term impact. As we had signalled, towards the end of the period our very strong sales pipeline started to crystallise into sales, and June and July were exceptional months for new contracts.

Although the oil price weakened towards the end of the period, this did not have an obvious impact on sales and the level of interest in our products.

Business activities

In July 2014, Getech completed the first three year programme of Globe build, with ten major international companies as committed sponsors. Globe as a product has demonstrated that it provides explorationists with a tool that they can use for exploration at a range of scales: from global new ventures through to supporting basin-scale risk reduction.

Our Commissions division, which handles all proprietary work, continued to strengthen and grew significantly during the year. Revenue in the year showed growth of more than 100% on the previous year, reflecting our strategic focus and support for this part of the business.

We continued to develop our reputation as a provider of leading-edge solutions and in July announced that our multi-satellite project, which is a global roll-out of the Cryosat R&D pilot project, had achieved funding in excess of £1m to cover a three year programme to June 2017. This project combines the gravity data from several satellites in a way that generates higher resolution results than otherwise available, thereby increasing the value of the data for exploration purposes.

The performance of our US gravity data business during the year was exceptional. In June and July we announced two sales out of our upgraded data-set with aggregate value of US\$1.1m. We believe that this resulted from a combination of the major upgrade to the data-set that we had completed the previous year, and an increased interest in North America as an exploration target.

Operating review *continued*

The Group has had a strong end to the financial year with several new contracts signed. Going forward, we are **well placed for growth** and are seeing the results of **investment in leading-edge technology**.

New contract wins

Largest ever new contract – US\$5m

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

New contract worth US\$2m

The Company is pleased to announce that it has signed a major contract with a leading US oil and gas independent valued at US\$2m. This contract includes:

- renewal of the Globe subscription, which will cover the second period of Globe from July 2014 to July 2017;
- a long-term licence for regional high resolution gravity and magnetic data; and
- subscription to our global depth to basement project which started in April 2014 and is planned to complete in Q4 2015.

New contract worth US\$600k

The Company is also pleased to announce that, as anticipated, it has signed a contract for delivery from its recently upgraded US gravity data-set at a price of US\$600k. The data is for immediate delivery and all the income will be recognised in the current financial year.

Multi-satellite project funding now exceeds £1m

New contract worth US\$500k

Further contract for delivery of its US gravity data-set at a price of US\$500k.

Business activities *continued*

While the year started slowly in terms of major contracts, it ended very strongly. In June, the Directors determined that it was necessary to give the market a profit warning, but in view of the strength of the sales pipeline, we signalled in the same announcement that we anticipated a significant flow of new contracts in the near future. Following the profit warning, we made the following announcements:

- in June, we announced a new contract worth US\$2m including the second three year Globe Programme, high resolution data-sets and subscription to our three year Global depth to basement project;
- in June, we also announced a major new sale from our upgraded US gravity data-set valued at US\$600k;
- in July, we announced a further major sale from our upgraded US gravity data-set worth US\$500k; and
- in July, we announced that funding for our three year multi-satellite project had then exceeded £1m.

Staff and corporate identity

We continue to regard our staff as the key to our future. During the year we added a number of new features to continue to make working at Getech a satisfying and exciting career.

In September 2013, we instituted a private health scheme, which has been very well received and is, we believe, a significant factor in helping us attract new staff in a difficult market.

Many of our staff are involved in charitable activities outside work, and we have set up an internal charity committee which makes regular donations to charities as a result of funds raised from Getech staff through various activities. We also set up a social committee which had, by the start of October 2014, organised two highly successful events. Both the charity and the social committees have contributed in a significant way to building a strong Getech team ethos.

We continued to build on the new brand architecture that we introduced in 2012. This is now well established and the imagery and brand design are easily recognised in all our external materials, ranging from exhibition stands through marketing collateral to products as delivered to clients.

“The first Globe Programme developed a product which was primarily of interest to global new ventures teams. During the next period we will extend Globe as a flexible and robust data framework that is capable of meeting the needs of a much broader community of clients.”

The future

The first Globe Programme developed a product which was primarily of interest to global new ventures teams. During the next period we will extend Globe as a flexible and robust data framework that is capable of meeting the needs of a much broader community of clients.

The second three year period of build for the Globe framework started in July 2014. Five sponsors have already committed to the core data-layers and discussions with others are ongoing. In this second period the Globe framework will be upgraded to increase its resolution, within a structure that can be easily delivered to clients in several forms: as a global set of core deliverables; as regional deliverables; or in bespoke parts which can be at any scale and contain any constituent “data-layers” extracted from the overall framework. This will make it attractive to a wider range of clients, of all sizes, operating in all regions of the world and at smaller scales.

The full Globe framework comprises many “data-layers”, some of which are delivered as part of the core Globe sponsorship, some of which are only available as additional products. It provides a springboard for the efficient development of new, more focused, regional reports and provides an added-value starting point for new proprietary contracts. Globe is therefore a major asset from which value will be derived in a number of different ways and through a number of different delivery mechanisms.

Our strategy for the Commissions division started to show success in the year just completed by doubling its income year on year. This strategy included an explicit objective to target key clients capable of having a material impact on our performance. In September this part of the strategy achieved its first success when we signed our largest ever contract, with a value of US\$5m. This was with the Angolan national oil company, Sonangol, and involves interpretation work on the geological basins in Angola. Such contracts are in line with our corporate strategy to increase the visibility of income by a number of means, one of which is through longer-term proprietary contracts.

Finally, the feedback we have been receiving from clients suggests the Company and its products remain very well regarded and that there is a clear intent to include our products in their 2015 budgets. This, combined with the committed income we already have for the coming year, gives us confidence that 2014–15 will be a very much better year.

Raymond Wolfson
Chief Executive Officer

Principal risks and uncertainties

Internal control and risk management

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

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

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

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

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

Liquidity risk

The Group's cash reserves remained strong during the year. Internal cost levels rose during the year due to the increase in staff numbers but this reflects the increasing workload. The key risk assessment remains in relation to future income levels, 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 committed to a major investment in new and updated IT infrastructure to improve the availability, resilience and performance. 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.

Approval of the Strategic Report:

The Strategic Report on pages 1 to 6 was approved by the Board on 3 November 2014.

Dr Stuart Paton

Director

Corporate governance and Financial statements

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Directors and advisors



Dr Stuart Paton (aged 46)

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 BA in Earth Sciences and a PhD in Geology from Cambridge University.



Peter Stephens (aged 59)

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 MA 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 50)

Technical Director

Paul has a BA in Geology from St. Edmund Hall, Oxford, and a PhD in Geophysical Sciences from the University of Chicago. He worked for two years at BP's Research Centre in Sunbury on Thames before moving to Chicago, where 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 60)

Chief Executive Officer

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

**Colin Glass** (aged 71)*Non-executive Finance Director*

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

**Dr Alison Fielding** (aged 50)*Non-executive Director*

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

**Professor Paul Carey** (aged 47)*Marketing and Sales Director*

Paul has a BSc in Geology and a PhD 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.

Registered office

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St Mary's Street
Leeds LS9 7DP

**Nominated advisor
and broker**

WH Ireland Limited
Third Floor
Royal House
28 Sovereign Street
Leeds LS1 4BJ

Auditor

Grant Thornton UK LLP
No. 1 Whitehall Riverside
Leeds LS1 4BN

Solicitors

Walker Morris
Kings Court
12 King Street
Leeds LS1 2HL

Principal bankers

National Westminster Bank Plc
PO Box 183
8 Park Row
Leeds LS1 1QT

Registrars

Capita Asset Services
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

Corporate governance report

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

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

Board structure and meetings

During the year, the Board of Directors included four Non-executive Directors and four Executive Directors up to 20 December 2013, when Professor Derek Fairhead retired, after which there were three Executive Directors. The Non-executive Directors ensure a balance to the Board by constructively challenging the Executive Directors.

The Board met on eight occasions during the year and has met twice since the year end. All Directors attended all the Board meetings during the year with the exception of Peter Stephens and Colin Glass, who each attended seven.

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

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

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

Audit Committee

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

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

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

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

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

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

Remuneration Committee

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

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

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

Nomination Committee

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

Investor relations

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

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

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

Going concern

The Directors are of the view that, having given consideration to various possible outcomes of future performance, together with the current cash reserves and available bank facilities, the Group has adequate resources to continue as a going concern for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Report of the Directors

The Directors present their report and financial statements for the year ended 31 July 2014.

Results and dividends

The profit for the year before taxation was £1,000,816 (2013: £2,246,496). The revenue for the year was £6,592,798 (2013: £8,011,250). This result is discussed further in the Chairman's Statement and the Operating Review.

The Directors have considered the trading position of the Group. The market for exploration services was difficult for the first part of the year but picked up strongly towards the end of the year.

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

The Directors recommend a dividend of 1.76p per share (2013: 1.6p).

Directors

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

Professor Paul Carey
Professor Derek Fairhead (resigned 20 December 2013)
Dr Alison Fielding
Colin Glass
Dr Paul Markwick
Dr Stuart Paton
Peter Stephens
Raymond Wolfson

Substantial shareholders

The Parent Company has been notified at 21 October 2014 of the following interests in excess of 3% of its issued Ordinary Share capital. Please see the table opposite.

	Number of Ordinary Shares	% of issued share capital
IP Group plc	7,413,943	24.46
Professor J D Fairhead	4,393,474	14.49
Dr C M Green	1,797,080	5.93
Hargreave Hale	1,250,000	4.12
Quilter Cheviot	1,225,000	4.04
Close Asset Management	973,976	3.21
Investec	973,330	3.21
Hargreaves Lansdown	971,636	3.21
University of Leeds	940,426	3.10

Corporate governance

See separate Corporate Governance Report.

Going concern

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

Directors' indemnity

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

Auditor

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

By order of the Board

Colin Glass

Company Secretary
3 November 2014

Directors' responsibilities

In respect of the preparation of the financial statements

The Directors are responsible for preparing the Strategic Report and 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 of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed in the consolidated financial statements and 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 2014 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 in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and the auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/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 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;

- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Andrew Wood

Senior Statutory Auditor

For and on behalf of Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Leeds

3 November 2014

Consolidated statement of comprehensive income

For the year ended 31 July 2014

	Note	2014 £	2013 £
Revenue	5	6,592,798	8,011,250
Cost of sales		(2,126,433)	(2,520,500)
Gross profit		4,466,365	5,490,750
Administrative costs		(3,497,841)	(3,269,391)
Operating profit	6	968,524	2,221,359
Finance income	8	32,914	30,897
Finance costs	9	(622)	(5,760)
Profit before tax		1,000,816	2,246,496
Income tax credit/(expense)	10	574,412	(611,884)
Profit for the year attributable to owners of the Parent		1,575,228	1,634,612
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on translation of foreign operations		(95,030)	(38,539)
Total comprehensive income for the year attributable to owners of the Parent		1,480,198	1,596,073
Earnings per share			
Basic earnings per share	12	5.21p	5.57p
Diluted earnings per share	12	4.95p	5.30p

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 2014

Company registration number: 2891368

	Note	2014 £	2013 £
Assets			
Non-current assets			
Property, plant and equipment	13	2,747,916	2,752,597
Intangible assets	14	513,476	616,257
Deferred tax assets	10	311,644	128,543
	5	3,573,036	3,497,397
Current assets			
Inventories	15	180,092	166,000
Trade and other receivables	16	2,850,538	2,123,384
Other financial assets	17	—	500,000
Current tax assets		812,767	138,885
Cash and cash equivalents	18	3,422,594	4,357,927
		7,265,991	7,286,196
Total assets		10,839,027	10,783,593
Liabilities			
Current liabilities			
Borrowings		—	119,048
Trade and other payables	19	2,707,710	3,524,420
Current tax liabilities		—	108,932
		2,707,710	3,752,400
Non-current liabilities			
Trade and other payables	19	—	16,338
Deferred tax liabilities	10	321,452	110,175
		321,452	126,513
Total liabilities		3,029,162	3,878,913
Net assets		7,809,865	6,904,680
Equity			
Equity attributable to owners of the Parent			
Share capital	22	75,790	75,319
Share premium account		3,012,960	2,993,092
Capital redemption reserve		6	6
Share option reserve		125,948	122,717
Currency translation reserve		(130,757)	(35,727)
Retained earnings		4,725,918	3,749,273
Total equity		7,809,865	6,904,680

The financial statements on pages 14 to 43 were approved by the Board of Directors on 3 November 2014.

Dr Stuart Paton

Director

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

Consolidated statement of cash flows

For the year ended 31 July 2014

	Note	2014 £	2013 £
Cash flows from operating activities			
Profit before tax		1,000,816	2,246,496
Share-based payment charge		21,186	22,574
Depreciation and amortisation charges	13/14	239,704	213,592
Finance income		(32,914)	(30,897)
Finance costs		622	5,760
Exchange adjustments		44,686	(77,058)
Increase in inventories		(14,092)	(106,000)
(Increase)/decrease in trade and other receivables		(727,154)	839,544
(Decrease)/increase in trade and other payables		(833,048)	208,761
Cash (used in)/generated from operations		(300,194)	3,322,772
Income taxes paid		(180,226)	(851,036)
Net cash (used in)/generated from operating activities		(480,420)	2,471,736
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(106,897)	(190,463)
Development costs capitalised	14	(82,867)	—
Funds transferred into fixed term deposits		500,000	(500,000)
Interest received		32,914	30,897
Net cash generated from/(used in) investing activities		343,150	(659,566)
Cash flows from financing activities			
Proceeds from issue of share capital		20,339	153,780
Repayment of long-term borrowings		(119,048)	(285,714)
Equity dividends paid	11	(616,538)	(351,668)
Interest paid		(622)	(5,760)
Net cash used in financing activities		(715,869)	(489,362)
Net (decrease)/increase in cash and cash equivalents		(853,139)	1,322,808
Cash and cash equivalents at beginning of year		4,357,927	3,010,782
Exchange adjustments to cash and cash equivalents at beginning of year		(82,194)	24,337
Cash and cash equivalents at end of year	18	3,422,594	4,357,927

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 2014

	Share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Currency translation reserve £	Retained earnings £	Total £
At 1 August 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
Dividends	—	—	—	—	—	(616,538)	(616,538)
Issue of capital under share-based payment options	471	19,868	—	(17,955)	—	17,955	20,339
Share-based payment charge	—	—	—	21,186	—	—	21,186
Transactions with owners	471	19,868	—	3,231	—	(598,583)	(575,013)
Profit for the year	—	—	—	—	—	1,575,228	1,575,228
Other comprehensive income							
Currency translation differences	—	—	—	—	(95,030)	—	(95,030)
Total comprehensive income for the year	—	—	—	—	(95,030)	1,575,228	1,480,198
At 31 July 2014	75,790	3,012,960	6	125,948	(130,757)	4,725,918	7,809,865

Notes to the consolidated financial statements

For the year ended 31 July 2014

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 sound cash levels and continued prospects for profitable trading, the Directors are fully satisfied that the Group is a going concern and will be able to continue trading for the foreseeable future.

4 Summary of accounting policies

4.1 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and of its subsidiary undertaking drawn up to 31 July 2014. 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 goods and services provided, excluding VAT and comparable overseas taxes. Revenue from goods and services falls into the three categories below.

Proprietary reports and commissions

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

Multi-client studies

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

Multi-element contracts

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

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

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

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

4 Summary of accounting policies *continued*

4.3 Inventories

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

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

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

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

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

4.4 Foreign currency translation

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

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

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

4 Summary of accounting policies *continued*

4.6 Research

Research expenditure is charged to profit or loss 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 profit or loss on a straight line basis over the lease term.

4.8 Property, plant and equipment

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

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

Freehold property	–	2% per annum on cost
Plant and equipment	–	33.3% and 25% per annum on cost

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

4.9 Intangible assets

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

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

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

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

The following useful lives are applied:

Data holdings	–	ten years
Development costs	–	ten years

Amortisation is included within "Administrative costs".

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

4 Summary of accounting policies *continued*

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 profit or loss.

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

4.11 Income taxes

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

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

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

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

4.12 Cash and cash equivalents

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

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 Summary of accounting policies *continued*

4.14 Dividends

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

4.15 Financial liabilities

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

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

Financial liabilities are categorised as at fair value through profit or loss where they are designated as at fair value through profit or loss on initial recognition. Deferred consideration on acquisitions of assets, which is contingent on subsequent sales of such assets, is treated as financial 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.

Significant areas of judgement

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 life of the contract.

Capitalisation of development costs

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

Significant areas of estimation uncertainty

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

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

The value of revenue recognised during the year is dependent on estimates of work to completion.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

4 Summary of accounting policies *continued*

4.16 Significant areas of judgement and estimation uncertainty *continued*

Significant areas of estimation uncertainty *continued*

Multiple element contracts

Management uses estimates in determining the fair value of individual elements of the multiple element contracts in order to appropriately recognise the revenue attributable to each element individually. The value of revenue recognised during the year is also dependent on estimates of work to completion, as with long-term contracts.

Carrying amount of non-current assets

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

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

Share options

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

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 2014 financial statements.

Standard or interpretation	Effective for reporting periods starting on or after
Annual improvements 2012–2014 cycle	1 July 2016
IFRS 9 'Financial Instruments'	1 January 2018*
IFRS 10 'Consolidated Financial Statements'	1 January 2014
IAS 32 (amendments) 'Offsetting Financial Assets and Liabilities'	1 January 2014
IAS 36 (amendments) 'Impairment of Assets'	1 January 2014*
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017

* Not yet adopted by the EU.

It is anticipated that the adoption of these standards will not have a significant impact on the financial statements of the Group except for additional disclosure and presentational requirements.

5 Segmental reporting

5.1 Products and services from which reportable segments derive their revenues

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

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

- multi-client products; and
- proprietary reports.

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

5 Segmental reporting continued

5.2 Segment revenues and results

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

	2014		2013	
	Revenue £	Profit £	Revenue £	Profit £
Multi-client products	5,364,630	2,751,568	7,760,767	4,381,037
Proprietary projects	1,165,969	614,428	240,777	191,573
All other segments	62,199	60,726	9,705	9,705
	6,592,798	3,426,722	8,011,249	4,582,315
Central administrative costs, Directors' salaries and depreciation		(2,509,334)		(2,493,765)
Finance income		32,292		25,137
Currency translation differences on foreign operations		51,136		132,809
Profit before tax		1,000,816		2,246,496

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2013: £nil).

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

5.3 Geographical information

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

	2014		2013	
	Revenue £	Non-current assets £	Revenue £	Non-current assets £
USA	3,880,106	542,017	4,524,900	729,318
United Kingdom	288,020	3,031,019	178,733	2,768,079
Europe	1,073,010	—	1,225,062	—
Asia	746,804	—	459,653	—
Australasia	264,883	—	1,221,103	—
Africa	259,975	—	87,920	—
South/Central America	80,000	—	313,879	—
	6,592,798	3,573,036	8,011,250	3,497,397

Revenue includes £nil (2013: £103,035) in respect of services rendered.

Within revenue there are sales to two customers exceeding 10% of turnover. The values of those sales are £814,207 and £705,294 (2013: one, £986,250), all of which are included in the multi-client operating segment.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

6 Operating profit

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

	2014 £	2013 £
Cost of inventories recognised as an expense	263,041	680,228
Depreciation of property, plant and equipment	110,769	77,955
Amortisation of intangible assets	128,935	135,637
Remuneration receivable by the Group's auditor for audit services:		
– the auditing of the accounts	25,300	24,500
Remuneration receivable by the Group's auditor for non-audit services:		
– interim review	3,800	3,700
Operating leases:		
– rental costs of land and building	22,024	23,945
Foreign exchange movement	20,183	(132,809)
Share-based payments charge	21,186	22,574
Research and development costs expensed as incurred	953,411	1,130,102

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

7 Directors and employees

The employee benefit expenses during the year were as follows:

	2014 £	2013 £
Salaries	2,744,202	2,719,866
Social security costs	283,735	281,524
Pension costs	125,949	96,962
Share-based payment charge	13,904	15,724
	3,167,790	3,114,076

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

	2014 Number	2013 Number
Directors	4	4
Administration	13	11
Technical	58	55
	75	70

7 Directors and employees *continued*

Remuneration in respect of the Directors was as follows:

	2014				
	Fees/salary £	Pension contributions £	Benefits in kind £	Total before share options £	Share- based payment charge £
Executive					
Professor P F Carey	79,850	—	228	80,078	4,905
Professor J D Fairhead	92,573	—	—	92,573	—
Dr P J Markwick	90,850	4,880	250	95,980	4,905
R Wolfson	117,390	5,832	481	123,703	4,905
Non-executive					
Dr A M Fielding ¹	20,225	—	—	20,225	—
C Glass ²	18,000	—	—	18,000	—
Dr S M Paton	28,090	—	—	28,090	6,994
P F H Stephens ³	17,600	—	—	17,600	288
	464,578	10,712	959	476,249	21,997
2013					
	Fees/salary £	Pension contributions £	Benefits in kind £	Total before share options £	Share- based payment charge £
Executive					
Professor P F Carey	116,650	—	—	116,650	2,742
Professor J D Fairhead	102,655	—	—	102,655	—
Dr P J Markwick	119,265	4,250	—	123,515	5,520
R Wolfson	129,650	5,400	—	135,050	6,038
Non-executive					
Dr A M Fielding ¹	18,930	—	—	18,930	—
C Glass ²	16,960	—	—	16,960	24
Dr S M Paton	26,500	—	—	26,500	6,994
P F H Stephens ³	17,040	—	—	17,040	319
	547,650	9,650	—	557,300	21,637

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

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

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

Included above is £50,085 paid to Professor J D Fairhead as compensation for loss of office (2013: £nil).

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 2014

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

The market price of the shares at the end of the financial year was 47.00p and the range of market prices during the year was between 43.00p and 107.18p.

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

8 Finance income

	2014 £	2013 £
Interest on bank deposits	32,914	30,897

9 Finance costs

	2014 £	2013 £
Interest on bank borrowings	622	5,760

10 Income tax

The income tax charge comprises:

	2014 £	2013 £
Current income tax		
Current year	22,086	433,169
Prior year	(624,674)	(2,869)
Total current tax	(602,588)	430,300
Deferred tax		
Current year	36,971	181,584
Prior year	(8,795)	—
Total deferred tax	28,176	181,584
Tax (credit)/expense on profit	(574,412)	611,884

Factors affecting the tax charge for the year

The taxation assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2013: 24%).

The tax (credit)/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 20% (2013: 24%) as follows:

	2014 £	2013 £
Profit on ordinary activities before tax	1,000,816	2,246,496
Tax at UK corporation tax rate of 20% (2013: 24%)	200,163	539,159
Effects of:		
Disallowed expenditure	4,836	2,939
Depreciation not allowable	5,011	5,858
Overseas franchise tax	22,086	18,259
Adjustment in respect of tax rate changes	1,669	(10,633)
Adjustment for tax rate changes in foreign jurisdictions	113,529	58,909
Adjustment for tax computation in foreign jurisdictions	(8,237)	262
Research and development enhanced expenditure	(280,000)	—
Research and development enhanced expenditure in respect of prior years	(493,715)	—
Adjustment to tax charge in respect of prior years	(139,754)	(2,869)
Total tax (credit)/expense reported in the consolidated statement of comprehensive income	(574,412)	611,884

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

10 Income tax *continued*

Deferred taxation

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

	2014 £	2013 £
Deferred tax assets		
Balance brought forward	128,543	249,470
Share-based payments	647	(16,927)
Intangible assets of foreign subsidiary company	3,000	7,000
Foreign tax jurisdictions	—	(111,000)
Tax losses	179,454	—
Balance carried forward	311,644	128,543
Deferred tax liabilities		
Balance brought forward	(110,175)	(49,518)
Accelerated capital allowances	(15,277)	(23,657)
Foreign tax jurisdictions	(196,000)	(37,000)
Balance carried forward	(321,452)	(110,175)

The deferred taxation recognised in the financial statements at 20% (2013: 20%) for UK taxation and 34% (2013: 34%) for USA taxation is set out below:

	2014 £	2013 £
Share-based payments	25,190	24,543
Accelerated capital allowances	(88,452)	(73,175)
Foreign tax jurisdictions	(233,000)	(37,000)
Intangible assets of foreign subsidiary company	107,000	104,000
Tax losses	179,454	—
Net deferred tax asset	(9,808)	18,368

The most appropriate tax rate for the Group is considered to be 20% (2013: 24%), the standard rate of profits tax in the UK, which is the primary source of profit for the Group.

The deferred tax asset in respect of the UK company is calculated at 20% (2013: 20%) in the light of future tax rates announced. The deferred tax asset in respect of the intangible assets of the foreign subsidiary company arises as a result of future capital allowances available following the part-payment of the deferred consideration for the acquisition of assets from Lisle Gravity Inc. in an earlier period. These will be relieved against profits of the foreign subsidiary.

11 Dividends

	2014 £	2013 £
Paid during the year		
Final dividend in respect of the year ended 31 July 2013 at 1.60p per share (2012: 0.80p)	482,125	234,442
Interim dividend at 0.44p per share (2013: 0.40p)	134,413	117,226
	616,538	351,668
Proposed after the year end (not recognised as a liability)		
Final dividend in respect of the year ended 31 July 2014 at 1.76p per share (2013: 1.60p)	533,565	482,125

The proposed final dividend per share for the year ended 31 July 2014 is subject to approval by shareholders at the Annual General Meeting on 9 December 2014.

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.

	2014	2013
Profit attributable to equity holders of the Group	£1,575,228	£1,634,612
Weighted average number of Ordinary Shares in issue	30,249,212	29,323,481
Basic earnings per share	5.21p	5.57p
Diluted earnings per share	4.95p	5.30p

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 2014 is 1,560,109 (2013: 1,494,138).

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

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 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
Additions	3,150	103,747	106,897
Disposals	—	(8,569)	(8,569)
Exchange differences	—	(16,370)	(16,370)
At 31 July 2014	2,798,398	862,794	3,661,192
Depreciation			
At 1 August 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
Charge for the period	35,919	74,850	110,769
Disposals	—	(8,569)	(8,569)
Exchange differences	—	(15,561)	(15,561)
At 31 July 2014	251,399	661,877	913,276
Carrying amount			
At 31 July 2014	2,546,999	200,917	2,747,916
At 31 July 2013	2,579,768	172,829	2,752,597
At 1 August 2012	2,569,143	70,772	2,639,915

The carrying amount of freehold land not subject to depreciation amounted to £1,000,000 (2013: £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:

	Development costs £	Data holdings £	Trade and domain names £	Total £
Cost				
At 1 August 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
Additions	82,867	—	—	82,867
Exchange differences	—	(120,792)	—	(120,792)
At 31 July 2014	82,867	1,188,768	2,031	1,273,666
Amortisation				
At 1 August 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
Charge for the period	—	128,935	—	128,935
Exchange differences	—	(64,079)	—	(64,079)
At 31 July 2014	—	758,159	2,031	760,190
Carrying amount				
At 31 July 2014	82,867	430,609	—	513,476
At 31 July 2013	—	616,257	—	616,257
At 1 August 2012	—	737,886	—	737,886

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

15 Inventories

	2014 £	2013 £
Work in progress	180,092	166,000

There is a charge included in profit or loss for the year of £nil (2013: £nil) as an expense arising from an impairment review of inventories.

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

16 Trade and other receivables

	2014 £	2013 £
Trade receivables	1,849,564	1,783,281
Social security and other taxes	37,311	128,718
Other receivables	32,862	4,630
Prepayments and accrued income	930,801	206,755
	2,850,538	2,123,384

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. 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:

	2014 £	2013 £
Not more than three months	273,149	174,073
More than three months but not more than six months	7,345	57,290
More than six months but not more than one year	43,439	—
	323,933	231,363

17 Other financial assets

	2014 £	2013 £
Fixed term bank deposits	—	500,000

18 Cash and cash equivalents

	2014 £	2013 £
Cash at bank and in hand	3,422,594	4,357,927

19 Trade and other payables

	2014 £	2013 £
Current liabilities		
Trade payables	1,447,968	1,286,832
Social security and other taxes	76,325	76,477
Other payables	20,862	37,343
Accruals and deferred income	1,162,554	2,123,768
	2,707,709	3,524,420
Non-current liabilities		
Other payables	—	16,338

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

20 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 2014. 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 2014. 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:

	2014		2013	
	+10% £	-10% £	+10% £	-10% £
Profit before tax	1,000,816	1,000,816	2,246,496	2,246,496
Sensitivity to movement in currency exchange rates				
US dollar	(282,707)	418,301	(411,592)	503,057
Euro	(29,816)	36,441	(123,057)	150,402
Profit before tax	688,293	1,455,558	1,711,847	2,899,955

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

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

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

	2014 £	2013 £
Denominated in US dollars		
Financial assets	2,500,757	2,042,443
Financial liabilities	(913,027)	(1,527,786)
Exposure	1,587,730	514,657
Denominated in euros		
Financial assets	327,971	293,131
Financial liabilities	(11,675)	(2,887)
Exposure	316,296	290,244

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

20 Financial instruments *continued*

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:

	2014 £	2013 £
Classes of financial assets – carrying amounts		
Trade and other receivables	2,695,193	1,786,946
Other financial assets	—	500,000
Cash and cash equivalents	3,422,594	4,357,927
	6,117,787	6,644,873

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 2014 the Group had cash subject to variable rates and fixed-term deposits of £3,422,594 (2013: £2,772,340). There is no other material interest rate risk.

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

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

	2014		2013	
	+1% £	-1% £	+1% £	-1% £
Profit before tax	1,016,392	985,240	2,276,940	2,243,774

20 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 £	2014 £
Trade and other payables – held at amortised cost	1,569,837	—	—	1,569,837
Trade and other payables – held at fair value through profit or loss	14,808	—	—	14,808
	1,584,645	—	—	1,584,645

	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

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

	2014 £	2013 £
Current assets – loans and receivables		
Trade and other receivables	2,695,193	1,786,946
Other financial assets	—	500,000
Cash and cash equivalents	3,422,594	4,357,927
	6,117,787	6,644,873
Current liabilities		
Borrowings – held at amortised cost	—	(119,048)
Trade and other payables – held at amortised cost	(1,569,837)	(1,838,784)
Trade and other payables – held at fair value through profit or loss	(14,808)	(16,338)
	(1,584,645)	(1,974,170)
Non-current liabilities		
Trade and other payables – held at fair value through profit or loss	—	(16,337)
	—	(16,337)
Net financial assets and liabilities	4,533,142	4,654,366

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2014 and 2013. 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 2014

21 Capital management policies and procedures

The Group's capital management objectives are:

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

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

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

	2014 £	2013 £
Total equity	7,809,865	6,904,680
Less: cash and cash equivalents	(3,422,594)	(4,357,927)
	4,387,271	2,546,753

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

22 Share capital

	2014 £	2013 £
Authorised		
90,000,000 Ordinary Shares of £0.0025 each (2013: 90,000,000)	225,000	225,000
Issued, called up and fully paid		
30,316,184 Ordinary Shares of £0.0025 each (2013: 30,127,465)	75,790	75,319
	2014 Number	2013 Number
Shares issued, called up and fully paid		
Balance brought forward	30,127,465	29,237,151
Shares issued under share-based payments	188,719	890,314
Balance carried forward	30,316,184	30,127,465

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

Date	Number of shares		2014
	9.87p/share	15p/share	
5 August 2013	—	2,400	2,400
21 August 2013	—	3,000	3,000
13 November 2013	63,830	—	63,830
10 December 2013	36,170	—	36,170
23 December 2013	55,319	—	55,319
21 January 2014	—	28,000	28,000
	155,319	33,400	188,719

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.

23 Share-based payments

At 31 July 2014 the Group operated an Approved Enterprise Management Incentive (EMI) share scheme and an Unapproved Options scheme. Under the share options plans, the Directors can grant options over shares in the Company to employees, subject to approval from the Remuneration Committee. Options are granted with a fixed exercise price and the contractual life of an option of ten years. Options will become exercisable on the second anniversary of the date of grant. Exercise of an option is subject to continued employment.

During the year share options were granted for 720,000 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:

Date of grant	22 July 2014
Share price	48.0p
Exercise price	48.0p
Expected volatility	52.4%
Risk-free rate	2.6%
Expected time to exercise	Six 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 2014 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI share scheme

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

Notes to the consolidated financial statements *continued*

For the year ended 31 July 2014

23 Share-based payments *continued* Unapproved options scheme

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

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

The following share options were exercised during the year:

Date of grant	Share scheme	Number exercised	Exercise date	Share price at exercise date
24 December 2010	EMI	2,400	5 August 2013	71.00p
24 December 2010	EMI	3,000	21 August 2013	83.50p
26 August 2005	EMI	63,830	13 November 2013	92.50p
26 August 2005	EMI	36,170	10 December 2013	90.00p
26 August 2005	EMI	55,319	23 December 2013	94.00p
24 December 2010	EMI	28,000	21 January 2014	108.00p

23 Share-based payments *continued*

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 2014

23 Share-based payments *continued* *EMI share scheme continued*

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

24 Contingent liabilities and financial commitments *Contingent liabilities*

There were no contingent liabilities at 31 July 2014 (2013: £nil).

Operating leases

At 31 July 2014 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2014 Land and buildings £	2013 Land and buildings £
In less than one year	22,295	6,032
In one to two years	22,946	—
In two to five years	5,777	—
	51,018	6,032

24 Contingent liabilities and financial commitments *continued*

Capital commitments

There were no capital commitments at 31 July 2014 (2013: £nil).

25 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:

	2014 £	2013 £
Short-term employee benefits	722,021	769,316
Post-employment benefits	29,068	26,673
Equity compensation benefits	14,300	14,300
	765,389	810,289

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 £60,118 during the year (2013: £72,144).

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

	Amounts payable at 31 July 2014 £
IP Group Limited ¹	—
Noon and Co. Limited ²	—
Winburn Glass Norfolk ³	6,400

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

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

3 Director's fees for C Glass were paid to Winburn Glass Norfolk, Chartered Accountants, a firm of which he is a partner. In addition fees for services of £77,890 (2013: £76,094) provided on an arm's length basis in its normal course of business were charged by Winburn Glass Norfolk.

26 Pensions

The Group currently operates a Group personal pension plan for the benefit of employees. The amount recognised as an expense is £125,949 (2013: £96,962).

Parent Company balance sheet – prepared under UK GAAP

As at 31 July 2014

Company registration number: 2891368

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	2	2,743,507	2,743,536
Intangible assets	3	82,867	—
Investments	4	—	—
		2,826,374	2,743,536
Current assets			
Stocks	5	180,092	166,000
Debtors	6	3,229,780	1,745,521
Cash at bank and in hand		2,657,507	4,635,522
		6,067,379	6,547,043
Creditors – amounts falling due within one year	7	(1,929,584)	(2,964,271)
Net current assets		4,137,795	3,582,772
Total assets less current liabilities		6,964,169	6,326,308
Provisions for liabilities			
Deferred taxation	8	—	(73,175)
Net assets		6,964,169	6,253,133
Representing:			
Capital and reserves			
Called up share capital	9	75,790	75,319
Share premium account	10	3,012,960	2,993,092
Capital redemption reserve	10	6	6
Share option reserve	10	125,948	122,717
Profit and loss account	10	3,749,465	3,061,999
Shareholders' funds	10	6,964,169	6,253,133

The financial statements on pages 44 to 50 were approved by the Board on 3 November 2014.

Dr Stuart Paton

Director

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

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

For the year ended 31 July 2014

1 Principal accounting policies

1.1 Basis of preparation

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

1.2 Tangible fixed assets and depreciation

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

Freehold property	–	2% per annum on cost
Plant and equipment	–	33.3% and 25% per annum on cost

No depreciation is provided on freehold land.

1.3 Intangible assets and amortisation

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

Capitalised development costs	–	10% per annum on cost
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1.4 Revenue

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

Proprietary reports and commissions

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

Multi-client studies

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

Multi-element contracts

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

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

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

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

For the year ended 31 July 2014

1 Principal accounting policies *continued*

1.5 Long-term contracts and work in progress

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

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

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

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

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

1.6 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.

1.7 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 retained earnings.

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

1.8 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 2013	2,795,248	609,119	3,404,367
Additions	3,150	102,830	105,980
Disposals	—	(8,569)	(8,569)
At 31 July 2014	2,798,398	703,380	3,501,778
Depreciation			
At 1 August 2013	215,480	445,351	660,831
Charge for the period	35,919	70,090	106,009
On disposals	—	(8,569)	(8,569)
At 31 July 2014	251,399	506,872	758,271
Net book value			
At 31 July 2014	2,546,999	196,508	2,743,507
At 31 July 2013	2,579,768	163,768	2,743,536

The net book value of freehold land in the Parent Company, not subject to depreciation, amounted to £1,000,000 (2013: £1,000,000).

3 Intangible assets

	Development costs £	Total £
Cost		
At 1 August 2013	—	—
Additions	82,867	82,867
At 31 July 2014	82,867	82,867
Net book value		
At 31 July 2014	82,867	82,867
At 31 July 2013	—	—

4 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 US\$10 capital stock was £1 and this has been written off in an earlier period. The results of Geophysical Exploration Technology Inc. are included in the consolidated figures for the year.

5 Stocks

	2014 £	2013 £
Work in progress	180,092	166,000

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

For the year ended 31 July 2014

6 Debtors

	2014 £	2013 £
Trade debtors	784,652	693,309
Amount owed by Group undertakings	1,175,418	734,761
Corporation tax repayable	663,597	2,947
Other debtors	70,173	133,348
Prepayments and accrued income	444,938	181,156
Deferred tax (see Note 8)	91,002	—
	3,229,780	1,745,521

7 Creditors – amounts falling due within one year

	2014 £	2013 £
Bank loan	—	119,048
Trade creditors	1,435,671	1,277,578
Corporation tax	—	108,932
Other taxation and social security	76,325	76,477
Other creditors	79	21,006
Accruals and deferred income	417,509	1,361,230
	1,929,584	2,964,271

8 Deferred tax

	2014 £	2013 £
Balance brought forward	(73,175)	(49,518)
Charge for the year		
Accelerated capital allowances	(15,277)	(23,657)
Other short-term timing differences	179,454	—
Balance carried forward	91,002	(73,175)

9 Share capital

	2014 £	2013 £
Issued, called up and fully paid		
30,316,184 Ordinary Shares of £0.0025 each (2013: 30,127,465)	75,790	75,319

10 Shareholders' funds

	Share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 August 2013	75,319	2,993,092	6	122,717	3,061,999	6,253,133
Profit for the year	—	—	—	—	1,286,049	1,286,049
Share-based payment charge	—	—	—	21,186	—	21,186
Issue of capital under share-based payment	471	19,868	—	(17,955)	17,955	20,339
Dividends paid	—	—	—	—	(616,538)	(616,538)
At 31 July 2014	75,790	3,012,960	6	125,948	3,749,465	6,964,169

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:

	Dividends paid £	Amounts charged to the Group £	Amounts payable at 31 July 2014 £
Executive Directors			
Professor J D Fairhead	19,331	—	—
Dr P J Markwick	3,520	—	—
R Wolfson	8,160	—	—
Non-executive Directors			
C Glass	11,502	—	—
P F H Stephens	17,605	—	—
Other related parties			
IP Group Limited ¹	—	20,225	1,685
Noon and Co. Limited ²	—	18,067	1,985
Winburn Glass Norfolk ³	—	95,890	6,400

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

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

3 Director's fees for C Glass of £18,000 (2013: £16,960) and fees for services of £77,890 (2013: £76,094) 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.

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

For the year ended 31 July 2014

11 Related party transactions *continued*

Amounts for the year ended 31 July 2013 were as follows;

	Dividends paid £	Amounts charged to the Group £	Amounts payable at 31 July 2013 £
Professor P F Carey	—	—	—
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	—	18,995	1,590
Noon and Co. Limited	—	17,493	5,653
Winburn Glass Norfolk	—	93,054	7,296

12 Ultimate controlling party

The Directors consider that there is no ultimate controlling party.

13 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 £1,286,049 (2013: £1,232,631).

Notice of Annual General Meeting

NOTICE IS GIVEN that the twentieth Annual General Meeting of Getech Group plc ("the Company") will be held at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ on 9 December 2014 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 Report of the Directors, the Strategic Report and the audited accounts of the Company for the year ended 31 July 2014.
- 2 To declare a final dividend for the year ended 31 July 2014 of 1.76p per Ordinary Share.
- 3 To re-elect Raymond Wolfson 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 Alison Fielding as a Director of the Company, in accordance with article 35 of the Company's Articles of Association, who offers herself for re-election as a Director of the Company.
- 5 To re-elect Peter Stephens 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 £25,263.48 (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 £50,526.97 (after deducting from such amount any shares allotted under the authority conferred by virtue of resolution 8.1 in connection with or pursuant to an offer or invitation by way of a rights issue (as defined below),

provided that such authorities shall expire on the earlier of the date falling six months from the expiry of the Company's current financial year and the date of the next Annual General Meeting of the Company after the passing of this resolution unless varied, revoked or renewed by the Company in general meeting save that the Board may, before the expiry of the authorities granted by this resolution, make a further offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Board may allot shares and grant Rights in pursuance of such an offer or agreement as if the authorities conferred by this resolution had not expired and the authorities granted by this resolution are in substitution for all previous authorities granted to the Directors to allot shares and grant Rights which (to the extent that they remain in force and unexercised) are revoked but without prejudice to any allotment or grant of Rights made or entered into prior to the date of this resolution 7.

Notice of Annual General Meeting *continued*

Special business *continued*

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.

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 £11,368.56 (being 15% of the issued share capital of the Company as at the date of this notice); and
- 8.2 pursuant to the authority conferred upon them by resolution 7.2, not in connection with or pursuant to a rights issue, as if Section 561(1) and subsections (1)–(6) of Section 562 of the Act did not apply to any such allotment and the authorities given shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the date of the next Annual General Meeting after the passing of this resolution unless renewed or extended prior to such expiry save that the Company may, before the expiry of any power contained in this resolution, make a further offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the powers conferred by this resolution had not expired.

For the purpose of this resolution 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 3,031,618 as at the date of this notice (representing 10% of the Company's issued share capital);
 - 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 this resolution save that the Company may, before such expiry, make a contract or contracts to purchase Ordinary Shares after such expiry as if the power conferred by this resolution had not expired.

By order of the Board

Colin Glass
Company Secretary
10 November 2014

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 6.00pm on 7 December 2014 (or if the meeting is adjourned, at 6.00pm 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 6.00pm on 7 December 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 3 A member of the Company entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote instead of him or her. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. A proxy need not be a member of the Company. Proxy forms must be in the hands of the registrars at least 48 hours before the meeting. Further details of how to appoint a proxy are set out in the notes to the proxy form, which is enclosed with this document.
- 4 The return of a proxy form will not prevent a member attending the Annual General Meeting and voting in person if he/she so wishes.
- 5 If a member appoints a proxy or proxies and then decides to attend the Annual General Meeting in person and vote using his/her poll card, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's entire holding, then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the member's entire holding, then if the member indicates on his/her polling card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding. If you do not have a proxy form and/or believe that you should have one or if you require additional forms, please contact the Company at its registered office.
- 6 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see Note 3 above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

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

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

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

The revocation notice must be received by Capita Asset Services at Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12 noon on 7 December 2014. 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.

Notes continued

- 8 If a corporation is a member of the Company, it may by resolution of its Directors or other governing body authorise one or more persons to act as its representative or representatives at the Meeting and any such representative or representatives shall be entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual member of the Company. Corporate representatives should bring with them either an original or certified copy of the appropriate Board resolution or an original letter confirming the appointment, provided it is on the corporation's letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory's authority.
- 9 Copies of Directors' service contracts with the Company and with any of its subsidiary undertakings and letters of appointment of Non-executive Directors will be available for at least 15 minutes prior to the meeting and during the meeting.
- 10 As at 7 November 2014 (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 7 November 2014 is 30,316,184.

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 2014. That report and those accounts, and the report of the Company's auditor on those accounts, are set out on pages 11 to 50 of this document.

Resolution number 2 – final dividend

Final dividends must be approved by shareholders but must not exceed the amount recommended by the Directors. If the meeting approves resolution 2, the final dividend in respect of 2014 of 1.76p per Ordinary Share will be paid on 18 December 2014 to shareholders on the register of members on 21 November 2014.

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. Raymond Wolfson, Alison Fielding and Peter Stephens 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.

Notice of Annual General Meeting *continued*

Explanation of resolutions *continued*

Resolution number 7 – authority to allot shares

The resolution grants the Directors authority to allot relevant securities up to an aggregate nominal amount of £25,263.48, being one third of the Company's Ordinary Share capital in issue at 7 November 2014.

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 £50,526.96 (representing 20,210,789 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 7 November 2014.

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 £11,368.56, being 15% of the Company's Ordinary Share capital in issue at 7 November 2014. This replaces the existing authority to disapply pre-emption rights and expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or six months from the end of the Company's current financial year, whichever is the earlier.

Resolution number 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 3,031,618 Ordinary Shares (being 10% of the Company's Ordinary Share capital in issue at 7 November 2014 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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