

# **Geografix Limited**

## **Directors' report and financial statements**

**31 December 1996**

Registered number 1945220



# Geografix Limited

## Directors and officers

### Directors

CA Rose  
P Troen

### Secretary

PM Reed

### Registered office

Hurricane Way  
Norwich  
Norfolk  
NR6 6EW

### Auditors

KPMG  
Holland Court  
The Close  
Norwich  
NR1 4DY

### Bankers

Midland Bank PLC  
18 London Street  
Norwich  
NR2 1LG

Barclays Bank PLC  
Bank Plain  
Norwich  
NR2 4SP

# Geografix Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

### Principal activities

The company is principally engaged in the activities of the development and application of information technology systems largely related to establishing the location of people and objects.

There are two main areas of specialisation:

- Tagging systems and services for the electronic monitoring of offenders.
- Geographical Information Systems (GIS), including automated high speed surveys, mapping, map conversion, and systems implementation.

### Business review

1996 was a year of consolidation for Geografix as confidence has grown in the future of the company, especially in the electronic monitoring of offenders both as service provider and as a supplier of equipment. The trial of the curfew sentence with electronic monitoring by the courts has been extended and the performance of Geografix has been excellent. As a result of this, a major strategic decision was made to develop a new system which will enable low cost supply of equipment throughout the world. This equipment will come into service during 1997.

In GIS, Geografix successfully undertook a significant pilot survey of the Midlands Trunk Road network on behalf of the Highways Agency.

Both major business areas remain in the early stages of their respective business cycles but all market indicators are that the demand for the products and services of Geografix will grow significantly over the coming years.

The consequence of this focus on development for the future has had an effect on the profitability of the company during the year.

The profit for the year transferred to reserves is £30,851 (1995:£88,043).

### Dividends

The directors do not recommend the payment of a dividend.

### Shares

During the year the company issued 574,538 £1 ordinary shares at par via the capitalisation of loans.

# Geografix Limited

## Directors' report *(continued)*

### Directors and directors' interests

The directors who served during the year and their interests in the share capital of the company at the beginning and end of the year were:

	Ordinary shares of £1 each	
	At 31 December 1996	At 1 January 1996
CA Rose	1	-
MR Chapman (resigned 1 May 1996)	-	100
P Troen (appointed 14 February 1996)	-	-

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
PM Reed  
Secretary

Hurricane Way  
Norwich  
NR6 6EW

13 June 1997

# Geografix Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Holland Court  
The Close  
Norwich  
NR1 4DY

## Auditors' report to the members of Geografix Limited

We have audited the financial statements on pages 6 to 19.

### *Respective responsibilities of directors and auditors*

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Fundamental uncertainty: going concern*

In forming our opinion, we have considered the adequacy of the disclosure made in note 1(c) of the financial statements concerning the uncertainty as to the acquisition of new contracts. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
Chartered Accountants  
Registered Auditors

13 June 1997

# Geografix Limited

## Profit and loss account for the year ended 31 December 1996

	<i>Note</i>	<b>1996</b> £	<b>1995</b> £
<b>Turnover</b>	<b>2</b>	<b>726,275</b>	740,875
Cost of sales		<b>(386,601)</b>	(255,801)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>339,674</b>	485,074
Administrative expenses		<b>(322,921)</b>	(309,541)
		<hr/>	<hr/>
<b>Operating profit</b>	<b>3</b>	<b>16,753</b>	175,533
Amounts written off investments		-	(33,194)
Interest payable	<b>6</b>	<b>16,438</b>	(56,901)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>33,191</b>	85,438
Tax on profit on ordinary activities	<b>7</b>	<b>(2,340)</b>	2,605
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<b>16</b>	<b>£30,851</b>	£88,043
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains or losses other than the profit for the financial year.

The notes on pages 8 to 19 form part of these financial statements.

# Geografix Limited

## Balance sheet at 31 December 1996

	Note	1996	1995
		£	£
<b>Fixed assets</b>			
Intangible assets	8	185,937	172,106
Tangible assets	9	72,876	35,278
Investments	10	161	-
		<u>258,974</u>	<u>207,384</u>
<b>Current assets</b>			
Stocks and work in progress	11	3,519	1,500
Debtors	12	107,831	118,705
Cash at bank and in hand		15,149	255
		<u>126,499</u>	<u>120,460</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(169,271)</u>	<u>(667,031)</u>
<b>Net current liabilities</b>		<u>(42,772)</u>	<u>(546,571)</u>
<b>Total assets less current liabilities</b>		<b>216,202</b>	<b>(339,187)</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>-</u>	<u>(50,000)</u>
<b>Net assets/(liabilities)</b>		<u><b>£216,202</b></u>	<u><b>£(389,187)</b></u>
<b>Capital and reserves</b>			
Called up share capital	15	575,537	999
Share premium account	16	49,975	49,975
Profit and loss account	16	(409,310)	(440,161)
<b>Equity shareholders' funds/(deficit)</b>	17	<u><b>£216,202</b></u>	<u><b>£(389,187)</b></u>

These financial statements were approved by the board of directors on 13 June 1997 and were signed on its behalf by:

CA Rose  
Director



The notes on pages 8 to 19 form part of these financial statements.



# Geografix Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### (a) *Basis of accounting*

These financial statements have been prepared in accordance with applicable accounting standards.

#### (b) *Group financial statements*

The company is exempt from preparing consolidated financial statements under Section 248 of the Companies Act 1985. The financial statements therefore present a view of the company's affairs as an individual entity and do not reflect the transactions of the group.

#### (c) *Basis of preparing the financial statements*

The financial statements have been prepared on the going concern basis. The directors believe this to be appropriate for the following reasons:

The company has prepared profit forecasts and detailed cash flow projections up to 31 December 1998. On the basis of these projections the directors consider that the company will trade profitably, and that it will be able to meet its cash requirements using the current overdraft facility (which is in place until December 1997) together with additional working capital provided by its parent undertaking. However, the ability of the company to achieve the projected figures referred to above is dependent upon it successfully securing certain new contracts to monitor offenders or to supply such equipment for the monitoring of offenders to third parties. Negotiations for these contracts are currently taking place with the Home Office and others. The directors remain confident they will be successful but there can be no certainty relating to the outcome of these negotiations. If the negotiations were to prove unsuccessful, the going concern basis would not be applicable and adjustments would be necessary to reduce the value of assets to their recoverable amounts and provide for any further liabilities.

#### (d) *Depreciation*

Depreciation is calculated to write off the cost less the estimated residual values, of tangible fixed assets over their estimated useful lives as follows:

Plant and equipment	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

The cost, less estimated residual value, of intangible fixed assets is amortised over their estimated useful lives as follows:

Research and development	Over the period of anticipated sales of the developed product
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# Geografix Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### (e) *Research and development*

Expenditure is written off as incurred, with the exception of non-pioneering development expenditure on an individual project where the future recoverability can be reasonably foreseen. To the extent that expenditure is carried forward it is amortised in line with the expected sales from the related project. Amortisation is charged to cost of sales.

#### (f) *Stock and work in progress*

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials and direct labour. Net realisable value is based on estimated selling price, less any further costs of realisation.

#### (g) *Deferred taxation*

Provision is made for deferred tax using the liability method except where, in the opinion of the directors, it is not likely to be payable in the foreseeable future.

#### (h) *Assets held under finance leases and hire purchase contracts*

Fixed assets held under hire purchase contracts, and those financed by leasing agreements which give rights approximating to ownership (ie finance leases) are treated in accordance with Statement of Standard Accounting Practice No 21 as if purchased outright. The corresponding obligations are included in creditors.

Depreciation is provided, depending on the type of fixed asset, by the rates and methods set out in note 1(d).

The related finance costs are charged to the profit and loss account over the period of the lease.

#### (i) *Operating leases*

Operating lease rentals are charged to the profit and loss account as incurred over the period of the lease.

#### (j) *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Significant differences arising due to exchange fluctuations have been reflected in the profit and loss account.

# Geografix Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### (k) Pension scheme

The company operates defined contribution pension schemes for directors and senior employees and also makes contributions to employees' personal pension schemes. The pension costs represents contributions made by the company.

#### (l) Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

### 2 Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

An analysis of turnover by geographical market is:

	1996 £	1995 £
United Kingdom	672,704	642,725
Europe	2,479	27,232
Far East	960	24,230
South Africa	50,132	43,772
Other	-	2,916
	<u>£726,275</u>	<u>£740,875</u>

An analysis of results by class of business is:

	Turnover		Operating profit/(loss)	
	1996 £	1995 £	1996 £	1995 £
Electronic monitoring	562,779	296,884	45,659	46,059
Other	163,496	443,991	(28,906)	129,474
	<u>£726,275</u>	<u>£740,875</u>	<u>£16,753</u>	<u>£175,533</u>

# Geografix Limited

## Notes (continued)

### 3 Operating profit

Operating profit is stated after (crediting)/charging:

	1996 £	1995 £
Operating lease rentals for plant and machinery	14,143	8,230
Finance lease costs of plant and machinery	-	6,659
Rental of premises	16,280	18,780
Depreciation	26,683	25,758
Profit on disposal of fixed assets	-	(6,122)
Auditors' remuneration - audit	3,750	3,450
Loss/(profit) on foreign exchange	59	(22)
Bad debt recovered	-	(33,194)
Amortisation of development expenditure	43,817	19,123

### 4 Staff costs

Average number of employees (including directors) during the year:

	Number of employees	
	1996	1995
Directors	2	2
Direct labour	16	14
Administration	4	3
	—	—
	22	19

The aggregate payroll costs of these persons were as follows:

	1996 £	1995 £
Wages and salaries	319,975	323,448
Social security costs	34,551	28,441
Other pension costs	10,015	8,696
	—	—
	£364,541	£360,585

# Geografix Limited

## Notes (continued)

### 5 Directors' emoluments

	1996 £	1995 £
Management remuneration	51,659	92,256
Pension contributions	880	3,239
	<u>£52,539</u>	<u>£95,495</u>

The emoluments (excluding pension contributions) of the chairman who was also the highest paid director were £48,000 (1995: chairman £28,214, highest paid director £29,355).

The emoluments of the directors were within the following bands:

	Number of directors	
	1996	1995
£- - £ 5,000	2	2
£25,001 - £30,000	-	3
£45,001 - £50,000	1	-
	<u>3</u>	<u>5</u>

### 6 Interest payable

On bank loans, overdrafts and other loans wholly repayable within five years:

	1996 £	1995 £
Bank overdraft	6,929	9,307
Finance lease and hire purchase contracts repayable by instalments	-	6,659
Bank loans repayable by instalments	6,160	10,238
Other loans not repayable by instalments	(6,535)	(2,976)
Other loans repayable by instalments	(25,969)	25,969
On overdue corporation tax, NIC, PAYE and VAT	2,977	7,704
	<u>£(16,438)</u>	<u>£56,901</u>

Interest accrued of £Nil (1995:£11,522) relating to other loans not payable by instalments was considered to be no longer payable by the directors and was subsequently written back (note 18).

Included in interest on other loans not repayable by instalments is a release of interest of £7,425 (1995: interest charge of £7,425) payable to Nova Holding AG, the ultimate parent undertaking. Included in other loans repayable by instalments is a release of interest of £25,969 (1995: interest charged of £25,969) payable to Nova Holding AG following transfer of the debt from Tholco Limited (note 13).

On 31 December 1996 the capital element of the loans owed to Nova Holding AG was converted into ordinary share capital. Nova Holding AG released the company from its obligation to pay interest arising in 1996 and agreed to release the company from paying amounts outstanding from the previous year (note 13).

# Geografix Limited

## Notes (continued)

### 7 Taxation

Tax (charge)/credit for the year represents:

	1996 £	1995 £
UK corporation tax at 24%/25% (1995:25%)		
- Current year	(1,310)	-
- Prior year	(1,030)	8,322
Deferred taxation		
- Current year	(7,680)	-
- Prior year	7,680	-
Irrecoverable notional ACT on directors loan account written off (note 12) including amounts relating to previous year	-	(5,717)
	<u>£(2,340)</u>	<u>£2,605</u>

### 8 Intangible fixed assets

	Electronic monitoring technology £
<i>Cost</i>	
At 1 January 1996	191,229
Additions	57,648
	<u>248,877</u>
At 31 December 1996	
<i>Amortisation</i>	
At 1 January 1996	19,123
Charged in the year	43,817
	<u>62,940</u>
At 31 December 1996	
<i>Net book value</i>	
At 31 December 1996	<u>£185,937</u>
At 31 December 1995	<u>£172,106</u>

Development costs relate to the system for the electronic monitoring of offenders. Costs are being amortised over 60 months from July 1995 on a straight line basis.

The technology developed by the company for the electronic monitoring of offenders was valued by the directors on 9 September 1996 at £631,000. Their valuation was based on a limited scope report prepared by PA Consulting Group which placed a value on the technology of between £631,000 and £2,300,000. PA Consulting Group based their valuation on the assumptions listed in this report including the directors' estimations of the possible range of annual profits which they expect to derive from using the technology over the period 1997 to 2001, discounted at 8% to present values. This valuation has not been incorporated into these financial statements.

# Geografix Limited

## Notes (continued)

### 9 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At beginning of year	219,123	17,122	11,165	247,410
Additions	63,000	1,281	-	64,281
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	282,123	18,403	11,165	311,691
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	186,646	14,321	11,165	212,132
Charge for year	25,522	1,161	-	26,683
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	212,168	15,482	11,165	238,815
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 1996	<u>£69,955</u>	<u>£2,921</u>	<u>£-</u>	<u>£72,876</u>
At 31 December 1995	<u>£32,477</u>	<u>£2,801</u>	<u>£-</u>	<u>£35,278</u>

### 10 Investments

	Subsidiary undertakings £	Non-UK listed investments £	Total £
<b>Cost</b>			
At beginning of year	83,194	-	83,194
Additions	-	161	161
Disposals	(73,194)	-	(73,194)
	<hr/>	<hr/>	<hr/>
At end of year	10,000	161	10,161
	<hr/>	<hr/>	<hr/>
<b>Provisions</b>			
At beginning of year	83,194	-	83,194
Adjustment for disposals	(73,194)	-	(73,194)
	<hr/>	<hr/>	<hr/>
At end of year	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 1996	<u>£-</u>	<u>£161</u>	<u>£161</u>
At 31 December 1995	<u>£-</u>	<u>£-</u>	<u>£-</u>

# Geografix Limited

## Notes (continued)

### 10 Investments (continued)

Details of the subsidiary undertaking at the balance sheet date are as follows:

	Profit for the financial year		Balance sheet total	
	1996	1995	1996	1995
	£	£	£	£
Geografix International Limited (software/systems sales, now dormant)	-	15,233	(1,576)	(1,576)

The results for Geografix International Limited, which is registered in England and was incorporated on 1 June 1993, are based on unaudited financial statements for the year ended 31 December 1995 for balance sheet total purposes. As the company ceased to trade in September 1995 it has prepared no further financial statements. The company owned all of the issued ordinary share capital of its subsidiary undertaking at 31 December 1996.

The investment in Vectorgrafix Pte Limited (called Geografix Systems (Singapore) Pte Limited up to 10 June 1996) was sold on 1 May 1996 for £1.

### 11 Stocks and work in progress

	1996	1995
	£	£
Raw materials and consumables	1,500	1,500
Work in progress	2,019	-
	<u>£3,519</u>	<u>£1,500</u>

### 12 Debtors

	1996	1995
	£	£
Trade debtors	96,453	48,946
Amounts due from subsidiary undertakings	-	7,250
Other debtors	36	1,874
Prepayments and accrued income	11,342	31,818
Corporation tax recoverable	-	28,817
	<u>£107,831</u>	<u>£118,705</u>



# Geografix Limited

## Notes (continued)

### 12 Debtors (continued)

Other debtors include an interest free loan to a former director of the company, JRM Turner, details of which are as follows:

	1996 £	1995 £
Amount outstanding at beginning of year	-	4,000
Amount outstanding at end of year	-	-
Maximum outstanding during the year	-	4,795
	<hr/>	<hr/>

Administrative expenses include £Nil (1995:£4,795) being a provision against the amounts recoverable on the loan.

### 13 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank loans and overdrafts	50,000	116,194
Trade creditors	53,226	99,641
Tax and social security costs	38,934	63,161
Other creditors	-	2,427
Accruals and deferred income	22,799	162,268
Tholco Limited loan	-	136,789
Nova Holding AG loan (parent undertaking)	-	80,834
Corporation tax	4,312	5,717
	<hr/>	<hr/>
	£169,271	£667,031
	<hr/>	<hr/>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

The company has a £200,000 bank loan facility under the Government Guarantee Loan Scheme. As at 31 December 1996 the company had drawn on all of this facility and the unpaid balance amounted to £50,000. The terms of repayment of the loan are 24 monthly repayments of £8,333.33 which began in August 1994 with interest being charged at 2½% per annum over base rate subject to a minimum rate of 7½%. A repayment holiday was negotiated for the period November 1995 to September 1996 inclusive.

The loan from Tholco Limited was repayable in 24 equal monthly instalments from 1 May 1995, although such repayments were deferred. Interest was chargeable at 9.5% per annum over base rate. The loan was unsecured. On 1 November 1996, Tholco Limited sold its right, title and interest in respect of the loan agreement with Geografix Limited to Nova Holding AG.

The loans from Nova Holding AG were repayable on demand and were unsecured. Interest was chargeable at a mixture 6% per annum over Barclays Bank Plc base rate, (subject to a minimum rate of 10% per annum) or 3% per annum over Barclays Bank Plc base rate (with no minimum rate). On 31 December 1996 all the loans due to Nova Holding AG were converted into equity share capital and Nova Holding AG released the company from its obligation to pay interest arising in 1996 and from paying amounts outstanding from the previous year.

# Geografix Limited

## Notes (continued)

### 14 Creditors: amounts falling due after more than one year

	1996	1995
Bank loans (note 13)	<u>£-</u>	<u>£50,000</u>

#### *Repayment details*

The total borrowings of the company at 31 December 1996 are repayable as follows:

	1996			1995		
	Bank loans and overdrafts £	Tholco Limited loan £	Nova Holding AG loan £	Bank loans and overdrafts £	Tholco Limited loan £	Nova Holding AG loan £
Within one year	50,000	-	-	116,194	136,789	80,834
Between one and two years	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
	<u>£50,000</u>	<u>£-</u>	<u>£-</u>	<u>£166,194</u>	<u>£136,789</u>	<u>£80,834</u>

### 15 Called up share capital

	1996	1995
<i>Authorised</i>		
Ordinary shares of £1 each	<u>£575,538</u>	<u>£1,000</u>
<i>Issued and fully paid</i>		
Ordinary shares of £1 each	<u>£575,537</u>	<u>£999</u>

On 30 December 1996 the authorised share capital of the company was increased from £1,000 to £575,538 by the creation of 574,538 ordinary shares of £1 each ranking pari passu with the existing ordinary shares of the company.

On 31 December 1996 574,538 £1 ordinary shares were issued at par in order to provide Nova Holding AG with an additional equity investment in the company via the conversion of loans owed to it.

# Geografix Limited

## Notes (continued)

### 16 Reserves

	Share premium account £	Profit and loss account £
At beginning of year	49,975	(440,161)
Profit for the financial year	-	30,851
At end of year	<u>£49,975</u>	<u>£(409,310)</u>

### 17 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year	30,851	88,043
New share capital subscribed	574,538	874
Opening shareholders' deficit attributable to equity shareholders	<u>(389,187)</u>	<u>(478,104)</u>
Closing shareholders' funds/(deficit) attributable to equity shareholders	<u>£216,202</u>	<u>£(389,187)</u>

### 18 Transactions with directors

MR Chapman had made a loan to the company and was eligible to receive interest at 16% per annum on the monthly balance. On 1 May 1996 the remaining loan of £18,634 was written off by MR Chapman in view of an agreement to purchase a subsidiary undertaking of the company. This write-off had been reflected in the company's financial statements to 31 December 1995. Interest previously accrued of £11,522 was written back to profit in 1995 following MR Chapman's indications that he would not seek to recover the interest due on the loan. On 1 May 1996 a subsidiary undertaking of the company, Vectorgrafix Pte Limited (called Geografix Systems (Singapore) Pte Limited until 10 June 1996) was sold to MR Chapman for £1.

### 19 Operating lease commitments

At 31 December 1996, the company had annual commitments under operating lease agreements expiring as follows:

	1996	1995
<i>Land and buildings</i>		
Within one year	<u>£28,200</u>	<u>£25,824</u>
<i>Other</i>		
Within 2-5 years	<u>£14,652</u>	<u>£11,367</u>

# Geografix Limited

## Notes (continued)

### 20 Pension arrangements

The company operates defined contribution schemes for directors and senior employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost represents contributions made by the company to the schemes which amounted to £4,530 (1995:£6,016). During the year the company also made contributions to employees personal pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension cost represents contributions made by the company to the schemes which amounted to £5,485 (1995:£2,680).

There were no prepayments or accruals at the balance sheet date in respect of contributions to the scheme.

### 21 Directors' material interest in contracts

During 1995 the company entered into contracts at cost with Geografix Navigation Systems Limited, a company which ceased trading in August 1995 and which was under the control of JRM Turner and MR Chapman (who were also directors of Geografix Limited during 1995) as follows:

	1996	1995
Sales of component parts for a navigation product known as 'Vision'	£-	£55,638
	<hr/>	<hr/>

Geografix Navigation Systems Limited was registered in England and was incorporated on 13 January 1994.

Geografix Navigation Systems Limited was sold on 1 November 1995.

Mr P Troen is a partner in Abbott, King and Troen, Solicitors and Danish Lawyers, who, as a firm, charged £Nil (1995:£13,375) for services during the period.

### 22 Ultimate parent undertaking

The ultimate parent undertaking of Geografix Limited is Nova Holding AG which is incorporated in Liechtenstein.

### 23 Related party transactions

Nova Holding AG, as the ultimate parent undertaking is a related party of the company. During the year Nova Holding AG advanced further loans to the company of £356,915. Total amounts owed to Nova Holding AG at 31 December 1996 of £574,538 were converted to ordinary share capital on that date and all interest owed by the company was written off by Nova Holding AG.

Geografix International Limited is a related party of the company by virtue of it being a 100% owned subsidiary undertaking. During the year the company wrote off a debt of £3,250 owed to it by Geografix International Limited.

Prior to its disposal on 1 May 1996, Geografix Systems (Singapore) Pte Limited was also a related party by virtue of it being a 100% owned subsidiary undertaking. The company purchased services and equipment from Geografix Systems (Singapore) Pte Limited during the year amounting to \$813 (Singapore). The company also wrote back balances owed by it to Geografix Systems (Singapore) Pte Limited amounting to £224.

Geografix Systems (Singapore) Pte Limited was sold to MR Chapman, a director of the company until 1 May 1996, for £1 on that date.