

GEOACOUSTICS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1995



**AUDITOR'S REPORT TO GEOACOUSTICS LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 8 together with the accounts of GeoAcoustics Limited prepared under section 226 of the Companies Act 1985 for the year ended 30th April 1995.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

**Opinion**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by section A of Part III of Schedule 8 to that Act, in respect of the year ended 30th April 1995, and the abbreviated accounts on pages 3 to 8 have been properly prepared in accordance with that Schedule.

**Other information**

On 26th February 1996 we reported, as auditors of GeoAcoustics Limited, to the members on the accounts prepared under section 226 of the Companies Act 1985 for the year ended 30th April 1995, and our audit report was as follows:

We have audited the accounts on pages 4 to 16.

**Respective responsibilities of directors and auditors**

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

AUDITOR'S REPORT TO GEOACOUSTICS LIMITED PURSUANT TO PARAGRAPH 24 OF  
SCHEDULE 8 TO THE COMPANIES ACT 1985 - CONTINUED

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th April 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Havenbridge House  
North Quay, Great Yarmouth

26<sup>th</sup> February 1996

  
LOVEWELL BLAKE

REGISTERED AUDITOR  
Chartered Accountants

# GEOACOUSTICS LIMITED

## ABBREVIATED BALANCE SHEET

30TH APRIL 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Intangible assets	3	275,614	193,677
Tangible assets	4	<u>707,639</u>	<u>654,520</u>
		983,253	<u>848,197</u>
<b>CURRENT ASSETS</b>			
Stocks		216,625	230,081
Debtors due within one year		327,154	174,527
Cash at bank and in hand		<u>528</u>	<u>879</u>
		544,307	405,487
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>(530,582)</u>	<u>(459,252)</u>
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>13,725</u>	<u>(53,765)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		996,978	794,432
<b>CREDITORS: Amounts falling due after more than one year</b>	6	(315,323)	(168,813)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		<u>(33,560)</u>	<u>(69,490)</u>
		<u>648,095</u>	<u>556,129</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	7	1,000	1,000
Revaluation reserve		270,440	182,340
Other reserves		305,181	305,181
Profit and loss account		<u>71,474</u>	<u>67,608</u>
		<u>648,095</u>	<u>556,129</u>

In preparing these abbreviated accounts, the directors have taken advantage of the exemptions conferred by Section A Part III of Schedule 8 of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Approved by the board on 5th February 1996

D.R. STONE



)  
) Directors  
)  
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S.E. JERMY



The notes set out on pages 4 to 8 form an integral part of these accounts

# GEOACOUSTICS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

AT 30TH APRIL 1995

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### 1 FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept on the basis that the new products developed in the year and currently in development will regain the company's market share leading the company back into profit. The company has arranged with its bankers their support in order to fully realise the potential of the company's new products and expects to operate within the facility currently agreed.

### 2 ACCOUNTING POLICIES

#### (a) Basis of accounting

These accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards.

#### (b) Depreciation

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets (excluding freehold land) over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Buildings	2% straight line
Motor vehicles, plant and machinery	20% - 25% straight line

The cost, less estimated residual value, of intangible fixed assets is amortised over their estimated useful lives to the business. The rates and methods used are as follows:

Development costs	5 years
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#### (c) 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, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

# GEOACOUSTICS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

AT 30TH APRIL 1995

### (d) Hire purchase and leasing

Assets held under hire purchase and finance leases are capitalised and depreciated and the resultant obligations are included in creditors. Operating lease rentals are charged to the profit and loss account over the period of the lease.

### (e) Deferred taxation

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

### (f) Pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge in the profit and loss account represents the contributions payable by the company to the fund for the year.

### (g) 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 the transaction. Significant differences arising due to exchange fluctuations have been reflected in the profit and loss account.

### (h) Development expenditure

Development expenditure relating to specific projects intended for commercial exploitation is carried forward. Such expenditure is amortised over the period during which the benefit is expected to arise. Expenditure on pure and applied research is written off as incurred.

## 3 INTANGIBLE FIXED ASSETS

	Development costs
<b>COST</b>	£
At 1st May 1994	196,017
Additions	<u>116,365</u>
At 30th April 1995	<u>312,382</u>
<b>AMORTISATION</b>	
At 1st May 1994	2,340
Charge for the year	<u>34,428</u>
At 30th April 1995	<u>36,768</u>
<b>NET BOOK VALUE</b>	
At 30th April 1995	<u>275,614</u>
At 30th April 1994	<u>193,677</u>

GEOACOUSTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

AT 30TH APRIL 1995

4 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles, plant and machinery £	Total £
<b>COST OR VALUATION</b>			
At 1st May 1994	475,000	312,498	787,498
Additions at cost	-	57,864	57,864
Applicable to disposals	-	(39,230)	(39,230)
Movement on revaluation	65,000	-	65,000
At 30th April 1995	<u>540,000</u>	<u>331,132</u>	<u>871,132</u>
<b>DEPRECIATION</b>			
At 1st May 1994	23,100	109,878	132,978
Charge for the year	-	66,723	66,723
Released by disposals	-	(13,108)	(13,108)
Movement on revaluation	<u>(23,100)</u>	<u>-</u>	<u>(23,100)</u>
At 30th April 1995	<u>-</u>	<u>163,493</u>	<u>163,493</u>
<b>NET BOOK VALUE</b>			
At 30th April 1995	<u>540,000</u>	<u>167,639</u>	<u>707,639</u>
At 30th April 1994	<u>451,900</u>	<u>202,620</u>	<u>654,520</u>

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1995 £	1994 £
Net book value at 30th April 1995	<u>20,416</u>	<u>44,432</u>
Depreciation charge for the year	<u>10,741</u>	<u>14,987</u>

During the year, the company's freehold property was revalued by a firm of chartered surveyors on the basis of market value with existing use. The surplus arising has been transferred to revaluation reserve.

For assets which have been revalued, a comparison between the present book values and the book values at which the assets would have been carried if they were on a historical cost basis is set out below:

	Revalued Amount 1995 £	Historic Cost Amount 1995 £	Revalued Amount 1994 £	Historic Cost Amount 1994 £
<b>Land and buildings</b>				
Cost or valuation	540,000	283,060	475,000	283,060
Depreciation to date	<u>-</u>	<u>18,000</u>	<u>23,100</u>	<u>13,500</u>
Net book value	<u>540,000</u>	<u>265,060</u>	<u>451,900</u>	<u>269,560</u>

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The value of depreciable assets included in land and buildings at 30th April 1995 was £450,000 (1994: £385,000).

Included within tangible fixed assets are assets with a cost of £130,047 and a net book value of £78,059 held for the purpose of hire under operating leases.

5	<b>CREDITORS: Amounts falling due within one year</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	The following secured amounts fall due within one year:		
	Bank loans and overdrafts:		
	secured by a fixed and floating charge over the assets and a first legal charge over the freehold property	51,532	9,958
	Finance lease and hire purchase contracts:		
	secured on the assets concerned	<u>17,994</u>	<u>21,190</u>
		<u>69,526</u>	<u>31,148</u>
6	<b>CREDITORS: Amounts falling due after more than one year</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Bank loans	314,633	150,000
	Net obligations under finance leases and hire purchase contracts	<u>690</u>	<u>18,813</u>
		<u>315,323</u>	<u>168,813</u>
		<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Finance lease and hire purchase contracts		
	One to five years	<u>690</u>	<u>18,813</u>
		<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Amounts payable by instalments between one and two years hence:		
	Bank loans	<u>34,330</u>	<u>30,000</u>
		<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Amounts payable by instalments between two and five years hence:		
	Bank loans	<u>120,985</u>	<u>90,000</u>
		<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Amounts payable by instalments more than five years hence:		
	Bank loans	<u>159,318</u>	<u>30,000</u>



# GEOACOUSTICS LIMITED

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	1995 £	1994 £
Secured creditors included above are as follows:		
Bank loans:		
secured by a fixed and floating charge over the assets and a first legal charge over the freehold property	314,633	150,000
Finance lease and hire purchase contracts:		
secured on the assets concerned	<u>690</u>	<u>18,813</u>
	<u>315,323</u>	<u>168,813</u>

Bank loan of £100,000 at the year end is subject to interest at 2.25% over base and is repayable in monthly instalments over 7 years. There is a repayment holiday on this loan until March 1996.

Bank loan of £229,344 at the year end is subject to interest at 3% over base and is repayable in monthly instalments over 10 years.

7	SHARE CAPITAL	Number 1995	Value 1995 £	Number 1994	Value 1994 £
	Authorised:				
	Ordinary shares of £1 each	99,700	99,700	99,700	99,700
	'A' Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
		<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	Issued and fully paid:				
	Ordinary shares of £1 each	700	700	700	700
	'A' Ordinary shares of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
		<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>