

To registrar

COMPANY REGISTRATION NUMBER 2571389

GeoAcoustics Limited

Abbreviated accounts

30 April 2003



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GeoAcoustics Limited

Abbreviated accounts

Year ended 30 April 2003

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GeoAcoustics Limited

Company information

The board of directors

D R Stone
Mrs S E Jermy
P I Hogarth
K W Lewis

Company secretary

P A Eagle

Registered office

Shuttleworth Close
Gapton Hall Industrial Estate
Great Yarmouth
Norfolk
NR31 0NQ

Auditors

Lovewell Blake
Chartered Accountants
& Registered Auditors
Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

GeoAcoustics Limited

The directors' report

Year ended 30 April 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2003.

Principal activities and business review

The principal activity of the company continued to be that of the manufacture and supply of seabed survey equipment.

The directors are satisfied with the results for the year and the year end position.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Research and development

The company continues its programme of improving its product range and has commenced work on a further two development projects during the year.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 April 2003	At 1 May 2002
D R Stone	510	510
Mrs S E Jermy	100	100
P I Hogarth	30	30
K W Lewis	30	30

Mr R L Morris, a partner in Lovewell Blake Chartered Accountants, is a trustee of a trust holding 510 ordinary shares.

Fixed assets

The company's freehold property was valued at £645,000 during the previous year on an open market basis by a professional firm of surveyors. The directors have not reflected this valuation in the accounts as a matter of accounting policy.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

GeoAcoustics Limited

The directors' report *(continued)*

Year ended 30 April 2003

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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Close company provisions

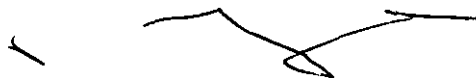
In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

Auditors

A resolution to re-appoint Lovewell Blake as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Shuttleworth Close
Gapton Hall Industrial Estate
Great Yarmouth
Norfolk
NR31 0NQ

Signed by order of the directors



P A Eagle
Company Secretary

Approved by the directors on DECEMBER 19TH 2003

GeoAcoustics Limited

Independent auditors' report to the company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 19, together with the financial statements of the company for the year ended 30 April 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

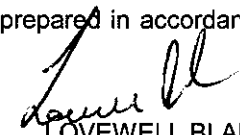
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 19 are properly prepared in accordance with those provisions.

Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

.....19/12/03


LOVEWELL BLAKE
Chartered Accountants
& Registered Auditors

GeoAcoustics Limited

Abbreviated profit and loss account

Year ended 30 April 2003

	Note	2003 £	2002 £
Gross profit		1,773,995	1,918,999
Operating costs:			
Staff costs	2	(997,300)	(887,383)
Depreciation written off fixed assets	3	(435,834)	(344,149)
Other operating charges		(315,477)	(410,272)
Operating profit	3	25,384	277,195
Interest receivable		2,184	4,565
Interest payable	5	(11,822)	(14,720)
Profit on ordinary activities before taxation		15,746	267,040
Tax on profit on ordinary activities	6	40,429	(9,057)
Profit on ordinary activities after taxation		56,175	257,983
Dividends	7	—	(50,000)
Retained profit for the financial year		56,175	207,983

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 19 form part of these abbreviated accounts.

GeoAcoustics Limited

Note of historical cost profits and losses

Year ended 30 April 2003

	2003 £	2002 £
Reported profit on ordinary activities before taxation	15,746	267,040
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>6,009</u>	<u>6,009</u>
Historical cost profit on ordinary activities before taxation	<u>21,755</u>	<u>273,049</u>
Historical cost profit for the year retained after taxation and dividends	<u>62,184</u>	<u>213,992</u>

The notes on pages 9 to 19 form part of these abbreviated accounts.

GeoAcoustics Limited

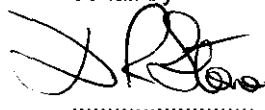
Abbreviated balance sheet

30 April 2003

	Note	2003 £	£	2002 £	£
Fixed assets					
Intangible assets	8		765,693		756,271
Tangible assets	9		1,000,990		881,422
Investments	10		40,250		40,250
			<u>1,806,933</u>		<u>1,677,943</u>
Current assets					
Stocks	11	813,746		824,745	
Debtors	12	521,512		698,165	
Cash at bank		131,656		402,233	
		<u>1,466,914</u>		<u>1,925,143</u>	
Creditors: Amounts falling due within one year	13	(1,033,453)		(1,292,540)	
Net current assets			<u>433,461</u>		<u>632,603</u>
Total assets less current liabilities			<u>2,240,394</u>		<u>2,310,546</u>
Creditors: Amounts falling due after more than one year	14		(57,632)		(117,163)
			<u>2,182,762</u>		<u>2,193,383</u>
Provisions for liabilities and charges					
Deferred taxation	17		(126,117)		(157,013)
Other Provisions	18		(106,950)		(142,850)
			<u>1,949,695</u>		<u>1,893,520</u>
Capital and reserves					
Called-up equity share capital	19		730		730
Revaluation reserve	20		222,362		228,371
Other reserves	21		300		300
Profit and loss account	22		1,726,303		1,664,119
Shareholders' funds	23		<u>1,949,695</u>		<u>1,893,520</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 19.12.12.3 and are signed on their behalf by:


D R Stone


Mrs S E Jermy

The notes on pages 9 to 19 form part of these abbreviated accounts.

GeoAcoustics Limited

Cash flow statement

Year ended 30 April 2003

	Note	2003 £	£	2002 £	£
Net cash inflow from operating activities	24		361,801		962,016
Returns on investments and servicing of finance					
Interest received		2,184		4,565	
Interest paid		(6,826)		(11,593)	
Interest element of hire purchase		(4,996)		(3,127)	
Net cash outflow from returns on investments and servicing of finance			(9,638)		(10,155)
Taxation			(15,267)		15,732
Capital expenditure					
Payments to acquire intangible fixed assets		(287,481)		(231,940)	
Payments to acquire tangible fixed assets		(268,536)		(168,405)	
Receipts from sale of fixed assets		33,231		53,739	
Net cash outflow from capital expenditure			(522,786)		(346,606)
Equity dividends paid			—		(50,000)
Cash (outflow)/inflow before financing			(185,890)		570,987
Financing					
Issue of equity share capital		—		12,000	
Repayment of bank loans		(51,554)		(57,735)	
Capital element of hire purchase		(33,133)		(37,478)	
Net cash outflow from financing			(84,687)		(83,213)
(Decrease)/increase in cash	25		(270,577)		487,774

The notes on pages 9 to 19 form part of these abbreviated accounts.

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents the amount of goods and services provided during the year.

Development costs, patents and trademarks

Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty, and are amortised in line with expected sales arising from the projects on a straight line basis. All other development costs are written off in the period of expenditure.

The nature of the products is becoming computer based, leading to potentially shorter useful working lives. The life cycles of the products will be reviewed and written off over a shorter period where appropriate.

Amortisation of intangible assets

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Development expenditure	- 3 - 5 years
Patents and trademarks	- 3 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- Over 50 years
Motor vehicles, plant and machinery	- 20% - 25% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

1. Accounting policies *(continued)*

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates two defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

2. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2003 No	2002 No
Production and engineering	23	21
Marketing and selling	5	2
Management and administration	8	6
Demonstration	2	2
	<u>38</u>	<u>31</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	859,535	769,660
Social security costs	85,905	79,856
Other pension costs	51,860	37,867
	<u>997,300</u>	<u>887,383</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2003 £	2002 £
Amortisation	278,059	237,721
Depreciation of owned fixed assets	130,519	104,248
Depreciation of assets held under hire purchase agreements	29,755	12,178
Profit on disposal of fixed assets	(2,499)	(9,998)
Auditors' remuneration		
- as auditors	5,678	5,050
Operating lease costs:		
Plant and equipment	<u>7,023</u>	<u>7,447</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Emoluments receivable	225,673	206,741
Value of company pension contributions to money purchase schemes	<u>27,510</u>	<u>20,537</u>
	<u>253,183</u>	<u>227,278</u>

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions)	77,977	75,072
Value of company pension contributions to money purchase schemes	<u>18,300</u>	<u>14,392</u>
	<u>96,277</u>	<u>89,464</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

4. Directors' emoluments (continued)

The number of directors who were accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>4</u>	<u>4</u>

5. Interest payable

	2003 £	2002 £
Interest payable on bank borrowing	6,826	11,593
Finance charges	<u>4,996</u>	<u>3,127</u>
	<u>11,822</u>	<u>14,720</u>

6. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	(12,400)	12,400
Over/under provision in prior year	<u>2,867</u>	<u>(15,732)</u>
Total current tax	<u>(9,533)</u>	<u>(3,332)</u>
Deferred tax:		
(Decrease)/increase in deferred tax provision	<u>(30,896)</u>	<u>12,389</u>
Tax on profit on ordinary activities	<u>(40,429)</u>	<u>9,057</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>15,746</u>	<u>267,040</u>
Profit/(loss) on ordinary activities by rate of tax	2,992	53,408
Effects of:		
Expenses not deductible	742	2,758
Depreciation on assets not attracting capital allowances	1,817	1,913
Capital allowances for the period in excess of depreciation	<u>(9,942)</u>	<u>(11,384)</u>
Excess of allowance for scientific research	<u>(40,480)</u>	<u>(33,181)</u>
Adjustments to tax charge in respect of previous periods	2,867	(15,732)
Losses brought forward not accrued for	-	(1,005)
Rounding	-	(57)
Difference arising from different rates of tax used	<u>(516)</u>	<u>(52)</u>
Losses carried forward	<u>32,987</u>	<u>-</u>
Total current tax (note 6(a))	<u>(9,533)</u>	<u>(3,332)</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

7. Dividends

The following dividends have been paid or proposed in respect of the year:

	2003 £	2002 £
Proposed dividend on ordinary shares	—	20,000
Dividend paid on ordinary shares	—	30,000
	<u>—</u>	<u>50,000</u>

8. Intangible fixed assets

	Development expenditure £	Patents and trademarks £	Total £
Cost			
At 1 May 2002	1,808,588	30,327	1,838,915
Additions	287,481	—	287,481
At 30 April 2003	<u>2,096,069</u>	<u>30,327</u>	<u>2,126,396</u>
Amortisation			
At 1 May 2002	1,069,165	13,479	1,082,644
Charge for the year	267,950	10,109	278,059
At 30 April 2003	<u>1,337,115</u>	<u>23,588</u>	<u>1,360,703</u>
Net book value			
At 30 April 2003	<u>758,954</u>	<u>6,739</u>	<u>765,693</u>
At 30 April 2002	<u>739,423</u>	<u>16,848</u>	<u>756,271</u>

9. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 May 2002	540,000	779,382	1,319,382
Additions	—	310,574	310,574
Disposals	—	(88,086)	(88,086)
At 30 April 2003	<u>540,000</u>	<u>1,001,870</u>	<u>1,541,870</u>
Depreciation			
At 1 May 2002	66,956	371,004	437,960
Charge for the year	9,565	150,709	160,274
On disposals	—	(57,354)	(57,354)
At 30 April 2003	<u>76,521</u>	<u>464,359</u>	<u>540,880</u>
Net book value			
At 30 April 2003	<u>463,479</u>	<u>537,511</u>	<u>1,000,990</u>
At 30 April 2002	<u>473,044</u>	<u>408,378</u>	<u>881,422</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

Freehold land and buildings were revalued in 1995 on a market value with existing use basis by a professional firm of surveyors. The company has chosen to take advantage of the transitional provisions of FRS15 Tangible Fixed Assets and has retained the book amounts of assets previously revalued.

The company's property was valued at £645,000 during the previous year on an open market basis by a professional firm of surveyors. The accounts do not reflect this valuation as a matter of accounting policy.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2003 £	2002 £
Historical cost	<u>283,060</u>	<u>283,060</u>
Depreciation:		
At 1 May 2002	47,797	44,241
Charge for year	<u>3,556</u>	<u>3,556</u>
At 30 April 2003	<u>51,353</u>	<u>47,797</u>
Net historical cost value:		
At 30 April 2003	<u>231,707</u>	<u>235,263</u>
At 1 May 2002	<u>235,263</u>	<u>238,819</u>

Hire purchase agreements

Included within the net book value of £1,000,990 is £95,720 (2002 - £81,618) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £29,755 (2002 - £12,178).

10. Investments

Shares in group undertakings

	£
Cost	
At 1 May 2002 and 30 April 2003	<u>40,250</u>
Net book value	
At 30 April 2003	<u>40,250</u>
At 30 April 2002	<u>40,250</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

10. Investments (continued)

The company owns 100% of the issued share capital of the companies listed below:

GeoAcoustics Inc.

Incorporated in USA

Deficiency of assets

131,091

Net loss for the year

55,794

GeoAcoustics Asia Pacific Pte Limited

Incorporated in Singapore

Total reserves

177,813

Net loss for the year

8,445

The principal business activities of both subsidiary companies remains the distribution of seabed survey equipment.

11. Stocks

	2003	2002
	£	£
Raw materials	68,505	41,721
Work in progress	555,748	587,574
Finished goods	189,493	195,450
	<u>813,746</u>	<u>824,745</u>

12. Debtors

	2003	2002
	£	£
Trade debtors	345,363	525,093
Amounts owed by group undertakings	118,117	116,468
Corporation tax repayable	12,400	—
Other debtors	—	26,075
Prepayments and accrued income	45,632	30,529
	<u>521,512</u>	<u>698,165</u>

Amounts owed by group undertakings include £94,452 (2002 - £98,366) in respect of inter company loans which are repayable after more than one year.

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

13. Creditors: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	53,352	51,353
Payments received on account	281,801	160,851
Trade creditors	444,093	909,806
Amounts owed to group undertakings	15,091	—
Corporation tax	—	12,400
Hire purchase agreements	38,976	24,093
Dividends payable	20,000	20,000
Other taxes and social security	105,634	38,036
Accruals and deferred income	74,506	76,001
	<u>1,033,453</u>	<u>1,292,540</u>

Bank loans are secured by a fixed and floating charge over the assets and a first legal charge over the freehold property.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

14. Creditors: Amounts falling due after more than one year

	2003 £	2002 £
Bank loans and overdrafts	22,057	75,610
Hire purchase agreements	35,575	41,553
	<u>57,632</u>	<u>117,163</u>

Bank loans are secured by a fixed and floating charge over the assets and a first legal charge over the freehold property.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

15. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	2003 £	2002 £
Amounts repayable:		
In one year or less or on demand	53,352	51,353
In more than one year but not more than two years	22,057	53,352
In more than two years but not more than five years	—	22,258
	<u>75,409</u>	<u>126,963</u>

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	38,976	24,093
Amounts payable between 1 and 2 years	19,686	25,330
Amounts payable between 3 and 5 years	15,889	16,223
	<u>74,551</u>	<u>65,646</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2003 £	2002 £
Provision brought forward	157,013	144,624
Profit and loss account movement arising during the year	(30,896)	12,389
Provision carried forward	<u>126,117</u>	<u>157,013</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	159,105	157,013
Tax losses available	(32,988)	—
	<u>126,117</u>	<u>157,013</u>

18. Other provisions

	2003 £
Warranty provision:	
Balance brought forward	142,850
Movement for year	(35,900)
	<u>106,950</u>

19. Share capital

Authorised share capital:

	2003 £	2002 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares	<u>730</u>	<u>730</u>	<u>730</u>	<u>730</u>

20. Revaluation reserve

	2003 £	2002 £
Balance brought forward	228,371	234,380
Transfer to the Profit and Loss Account on realisation	(6,009)	(6,009)
Balance carried forward	<u>222,362</u>	<u>228,371</u>

21. Other reserves

	2003 £	2002 £
Capital redemption reserve	<u>300</u>	<u>300</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

22. Profit and loss account

	2003 £	2002 £
Balance brought forward	1,664,119	1,438,157
Retained profit for the financial year	56,175	207,983
Transfer from revaluation reserve	6,009	6,009
Credit in respect of directors share incentive scheme	—	11,970
Balance carried forward	<u>1,726,303</u>	<u>1,664,119</u>

23. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	56,175	257,983
Dividends	—	(50,000)
	<u>56,175</u>	<u>207,983</u>
New equity share capital subscribed	—	30
Credit in respect of directors share incentive scheme	—	<u>11,970</u>
	—	12,000
Net addition to funds	56,175	219,983
Opening shareholders' equity funds	1,893,520	1,673,537
Closing shareholders' equity funds	<u>1,949,695</u>	<u>1,893,520</u>

24. Reconciliation of operating profit to Net cash inflow from operating activities

	2003 £	2002 £
Operating profit	25,384	277,195
Amortisation	278,059	237,721
Depreciation	160,274	116,426
Profit on disposal of fixed assets	(2,499)	(9,998)
Decrease/(increase) in stocks	10,999	(153,434)
Decrease/(increase) in debtors	189,053	(9,167)
(Decrease)/increase in creditors	(263,569)	487,413
(Decrease)/increase in provisions	(35,900)	15,860
Net cash inflow from operating activities	<u>361,801</u>	<u>962,016</u>

GeoAcoustics Limited

Notes to the abbreviated accounts

Year ended 30 April 2003

25. Reconciliation of net cash flow to movement in net debt

	2003		2002	
	£	£	£	£
(Decrease)/increase in cash in the period	(270,577)		487,774	
Net cash outflow from bank loans	51,554		57,735	
Cash outflow in respect of hire purchase	33,133		37,478	
Change in net debt resulting from cash flows		(185,890)		582,987
New finance leases		(42,038)		(93,797)
Movement in net debt in the period		(227,928)		489,190
Net funds at 1 May 2002		209,624		(279,566)
Net debt at 30 April 2003		(18,304)		209,624

26. Analysis of changes in net debt

	At 1 May 2002	Cash flows	Other changes	At 30 Apr 2003
	£	£	£	£
Cash in hand and at bank	402,233	(270,577)	—	131,656
Debt due within 1 year	(51,353)	(1,999)	—	(53,352)
Debt due after 1 year	(75,610)	53,553	—	(22,057)
Hire purchase agreements	(65,646)	33,133	(42,038)	(74,551)
Net debt	209,624	(185,890)	(42,038)	(18,304)