

GLOBAL EXPLORATION
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GETECH Group plc
ANNUAL REPORT AND ACCOUNTS 2008

Registration number: 2891368

TUESDAY



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CORPORATE STATEMENT

FOUNDED IN 1986, GETECH IS A LEADING GEOSCIENCES SERVICE COMPANY PROVIDING GRAVITY AND MAGNETIC DATA AND A GROWING SUITE OF PETROLEUM EXPLORATION STUDIES TO THE OIL AND MINING EXPLORATION INDUSTRIES.

BY MAKING USE OF OUR SERVICES, DATA AND STUDIES EARLY IN THEIR PROGRAMMES, EXPLORATION COMPANIES CAN BE MORE COST EFFECTIVE AND FOCUSED IN THEIR DECISION MAKING.

IFC CORPORATE STATEMENT

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HIGHLIGHTS

- Revenue for the year increases to £4,125,981 (2007: £3,561,159)
 - Profit before tax £900,000 (2007: £805,399)
 - Proposed final dividend of 0.7p per share, a total of 1.3p for the year (2007: 1.2p for the year)
 - Demand for data remains strong
 - Geological studies (including those formerly referred to as PSEG studies) continue to sell well
 - Major new studies to be released in 2008/9
-

CHAIRMAN'S STATEMENT

WE ANTICIPATE THE DEMAND FOR GRAVITY AND MAGNETIC DATA WILL CONTINUE TO REMAIN STRONG. THE FEEDBACK FROM OUR LATEST GEOLOGICAL STUDIES IS VERY POSITIVE AND WE ARE OPTIMISTIC ABOUT SALES IN THE COMING YEAR.

HIGHLIGHTS OF THE CHAIRMAN'S STATEMENT

- Revenue for the year £4,125,981 (2007: £3,561,159), generating profit before tax £900,000 (2007: £805,399)
- Progressive dividend policy, 1.3p for the full year (2007: 1.2p)
- Geological activities (formerly called PSEG) continue to grow – major new studies will be ready for sale in 2008/9
- Further expansion into the new premises with the growth of the Company
- Additional data agreements enhance the existing library of data available for licensing
- Board and management strengthened with Raymond Wolfson as CEO and appointment after the year end of Charles Tavner as fourth non-executive Director

I am pleased to report the third full year results, since its Admission to AIM, of GETECH Group plc and its subsidiary company ("the Company" or "GETECH") for the year ended 31 July 2008. GETECH is an oil services business specialising in the provision of data, studies and services to the oil and mining exploration sectors.

RESULTS

GETECH reported a Group profit before tax of £900,000 (2007: £805,399) after interest receivable of £78,612 (2007: £158,946) on revenue of £4,125,981 (2007: £3,561,159). The post-tax profit was £601,571 (2007: £504,431) giving earnings per share of 2.17p (2007: 1.82p).

The accounts have been prepared under International Financial Reporting Standards (IFRS).

DIVIDENDS

The Company is proposing a final dividend of 0.7p to make 1.3p for the year, subject to shareholder approval at the Annual General Meeting on 27 November 2008. This will be paid to shareholders on the register on 7 November 2008. It will cost £193,846 and be payable on 5 December 2008. This dividend payment is in line with GETECH's commitment to a progressive dividend policy.

BUSINESS REVIEW

In line with our expectations, GETECH obtained a second order for the Russian Arctic Shelf aeromagnetic data and this was delivered and invoiced in December 2007 at a gross price close to £900,000.

We completed a number of significant new trading arrangements during the year. Most notable were additional Russian marketing agreements covering various regions within the Former Soviet Union, and new agreements for marketing gravity and magnetic data. An agreement under which GETECH will undertake gravity data surveys in Brazil and Chile was also signed and new studies in the Taoudenni Basin (Mauritania and Mali) were initiated.

The market for gravity and magnetic data continued to be strong and revenue from data licences in the second half of the year exceeded expectations. In addition, a number of new proprietary geophysics projects were awarded in the second half of the year.

Our geological activities have now grown both in size and in the range of specialist technical disciplines, to such an extent that we no longer refer to them under the title "Petroleum Systems Evaluation Group" (PSEG). This expanded geological group is ably led by Dr Paul Markwick and now consists of almost 20 specialists in several fields including Structural Geology, Plate Tectonic Modelling, Geodynamics, Palaeoclimatology and Palaeogeography. The teams worked on several major projects during the year, the first of which (the South Atlantic study) was completed after the year end in August. These geological activities continue to complement GETECH's strong original business – the collation, analysis and interpretation of magnetic and gravity data.

MANAGEMENT AND STAFF

The Company has continued to grow during the year and has expanded to almost 50 staff. As a result we have needed to occupy a further part of our new building (Nicholson House). This provides an excellent working environment for the staff.

ACQUISITIONS

We continue to seek suitable acquisitions and have considered opportunities both in the UK and US in the year under review.

SUBSTANTIAL NEW SHAREHOLDER

We are delighted that IP Group plc, a London Stock Exchange listed company, has significantly increased its investment in GETECH to 20%. Following this substantial commitment, the Board of GETECH is pleased to welcome Charles Tavner of IP Group as a non-executive Director, with effect from 4 September 2008. IP Group's core business is the creation of value for its shareholders and partners through the commercialisation of intellectual property originating from research-intensive institutions. Their skills in maximising the commercial potential of intellectual property will undoubtedly benefit GETECH, both as it is now and as it evolves over time.

OUTLOOK

We anticipate that the demand for gravity and magnetic data will continue to remain strong. With the acquisition of additional data marketing rights during the year, we expect this area to continue to provide a major revenue stream.

The feedback from our latest geological studies is very positive and we are optimistic about sales in the coming year. Marketing of the South Atlantic study (our largest study to date) commenced in September 2008 and initial reaction to this product is very favourable. Further major studies over East Africa, Circum-Arctic, Taoudenni Basin and South East China are planned to be completed and marketed in the first half of 2008/9.

Finally, I would like to thank the staff and my fellow Directors for all their hard work during the year.

PETER STEPHENS
NON-EXECUTIVE CHAIRMAN

OPERATING REVIEW

OUR PROGNOSIS FOR THE CURRENT YEAR IS FOR STRONG DEMAND FOR DATA, PROPRIETARY STUDIES AND OUR EXISTING AND NEW NON-EXCLUSIVE STUDIES.

HIGHLIGHTS OF THE BUSINESS YEAR

- Further sale of Russian Arctic aeromagnetic data at close to £900,000
- Data library continues to grow – new marketing agreements for Former Soviet Union data, for onshore data and others
- Significant new proprietary geophysical studies obtained
- Demand for data continues to be strong
- Several major new studies close to completion
- Growth in staff necessitated expansion to fill the top floor of Nicholson House, part of our new building
- Internal systems strengthened

We are pleased to report that in our third year as a public quoted company, GETECH Group plc and its subsidiary company ("the Company" or "GETECH") returned a pre-tax profit of £900,000 (2007: £805,399) for the year ended 31 July 2008.

BUSINESS SETTING

Hydrocarbon exploration is continuing to experience significant investment due to the need for oil and gas companies to replace their depleting reserves. This has resulted in oil and gas companies searching more widely for new resources and, consequently, many companies are entering countries for the first time in search of hydrocarbon exploration opportunities. Our global range of products and services provides these companies with the exploration data and knowledge they require in a cost effective manner and in a way that will help them to reduce their exploration risk.

GETECH's products and interpretation services have been developed over more than 20 years, in which time the Company has compiled one of the world's most extensive global gravity and magnetic databases. These data enable regional and local imaging of the subsurface geology and structure which results from the spatial subsurface changes in rock density (gravity) and rock magnetisation (magnetic). Qualitative and quantitative analyses of these data, constrained by seismic reflection and well log data, enable the three-dimensional mapping of tectonic structures and sedimentary basin architecture. The geological side of

the business (formerly referred to as the "Petroleum Systems Evaluation Group" (PSEG) now offers a wider range of specialist skills. It uses the available geophysical data and expertise, together with a broad range of geological data and innovative methods, to assess the hydrocarbon potential of basins and present their findings in the form of comprehensive regional studies. Oil and mining companies license our data and studies when they are evaluating new exploration areas and/or when they wish to expand their current exploration activities into neighbouring regions.

over more than 20 years...

... the Company has compiled one of the world's most extensive global gravity and magnetic databases.

COMPANY HISTORY

GETECH has its origins as a research group at the University of Leeds, Department of Earth Sciences (now part of the School of Earth and Environment). It started in 1986 by initiating the compilation of gravity data for the continent of Africa, supported by a group of international oil and mining company sponsors.

OPERATING REVIEW

CONTINUED

COMPANY HISTORY continued

In 1996, GETECH opened an office in Houston, Texas. In 2000, GETECH spun out from the University of Leeds as a private company (Geophysical Exploration Technology Limited) and subsequent business success and the formation of PSEG in 2004 resulted in the flotation of the Company on AIM in September 2005, with a name change to GETECH Group plc. GETECH was the first spin-out company from the University of Leeds to float on AIM.

BUSINESS ACTIVITIES

GETECH's business can be described as:

- licensing global gravity and magnetic data to oil and mineral companies;
- undertaking proprietary geophysical service work; and
- development and sale of studies evaluating the structure and petroleum systems of hydrocarbon basins.

During the year we signed several substantial licences for data from our global gravity database as well as the licence for our aeromagnetic database covering the Russian Arctic continental shelf. We were also awarded a significant contract which included licensing of data and the compilation of a new magnetic database for South East Asia as a pilot for a much larger study.

Proprietary service work during the year saw the successful completion of the South East Asia marine data processing contract and a steady stream of interpretation studies commissioned by a range of oil companies. We expect the demand for our interpretation services to remain strong throughout the next twelve months. Included in this sector is the major Shell Research and Development study, which is a two-year project due to be completed in December 2008. This has led to significant advances in magnetic data analysis methods which are now yielding results that relate closely to those predicted by heat flow methods.

The PSEG was originally set up to provide oil companies with detailed insights into the key source, reservoir and seal issues relating to hydrocarbon basins. Since 2004 this activity has grown from 2 staff to close to 20, and has evolved into a multidisciplinary team with a broad range of specialist skills that are highly attractive to our clients – to such an extent that the original name for the group is now inappropriately narrow. We continued to develop our initiative in South East Asia and completed the Southern Indochina study during the year. This has sold strongly, and we have now started a new South East China study to expand further our coverage. These studies link together with our earlier studies and provide a seamless set of petroleum basins analysis reports for Indochina. The demand for these reports reflects the strong position we have established in the market place. In the year we launched a new fully funded non-exclusive study of the Taoudenni Basin, extending from Mauritania into Mali.

THE FUTURE

Our prognosis for the current year is for strong demand for data, proprietary studies and our existing and new non-exclusive studies.

We continue to strengthen our library of commercially available data. Recent agreements with our Russian partners will allow us to expand the Russian portfolio of Arctic data to include oil geochemistry and environmental base line studies. In addition, new gravity and magnetic data marketing agreements covering some CIS countries, Cambodia and Mexico have been entered into that will further enhance our global data holdings and provide new and exciting business opportunities.

The major South Atlantic study was completed in August 2008 and marketing started in September. Four other major studies are scheduled to be completed and marketed in the first half of the year (Circum-Arctic, East Africa, Taoudenni Basin, and South East China) and further studies are in various stages of planning and commencement.

Overall, staffing is unlikely to grow as quickly as in previous years although we are still seeking a number of scarce specialist staff.

BOARD CHANGES

The Board changes announced in last year's Annual Report have worked out extremely well and have contributed to the smooth and efficient running of the Company. The appointment of the Chief Executive Officer, with a mix of management and strategic responsibilities, has facilitated creation of the role of Executive Chairman, with responsibilities including expanding our database and generating new business links worldwide.

The benefits from these changes are beginning to show, particularly in areas such as the new data agreements referred to previously. Also, we have been active in identifying suitable companies for acquisition in the past twelve months although no acquisitions have yet been secured.

Our strong link with IP Group plc, the University linked company that helped us to float on AIM, has resulted in the appointment of a new non-executive Director from IP Group plc, with effect from 4 September 2008, to further strengthen the GETECH Board.

Finally we would like to thank all GETECH staff and our Board colleagues for their unstinting efforts on behalf of the Company, which have made it a company that people want to work for. We look forward to the new challenges that the future years will bring.

PROFESSOR DEREK FAIRHEAD
EXECUTIVE CHAIRMAN

RAYMOND WOLFSON
CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS AND COMPANY ADVISORS**REGISTERED OFFICE**

Convention House
St Mary's Street
Leeds LS9 7DP

NOMINATED ADVISOR AND BROKER

W H Ireland Limited
Zurich House
Canal Wharf
Leeds LS11 5DB

AUDITORS

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

SOLICITORS

Walker Morris
Kings Court
12 King Street
Leeds LS1 2HL

PRINCIPAL BANKERS

National Westminster Bank plc
P.O. Box 183
8 Park Row
Leeds LS1 1QT

REGISTRARS

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

1. PETER STEPHENS (AGED 52)**NON-EXECUTIVE CHAIRMAN**

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

2. COLIN GLASS (AGED 65)**NON-EXECUTIVE FINANCE DIRECTOR**

Colin is a Chartered Accountant and a partner in Winburn Glass Norfolk, Chartered Accountants. He is a founder Director of the AIM quoted Surgical Innovations Group plc which reversed into Haemocell plc in 1998 and also a non-executive Director of Straight plc, which he assisted in flotation on AIM in 2003. He is a board member of a number of private companies, including Partnership Investment Finance, a £37 million fund investing in SMEs. He also advised the GETECH management team in the negotiations on the spin out from the University.

3. DR DAVID ROBERTS (AGED 65)**NON-EXECUTIVE DIRECTOR**

David has a B.Sc. and a D.Sc. in Geology and Geophysics from Manchester University. He worked for the Institute of Oceanographic Sciences for 16 years before joining BP Exploration in 1981 as Head of the Basins Analysis Group. He retired from BP in 2003 as Distinguished Exploration Advisor. David's experience at BP has given him worldwide exposure to exploration in a variety of sedimentary basins and petroleum systems both onshore and offshore. He is also a Visiting Professor and Fellow of Royal Holloway, University of London, the University of Southampton and IFP school in Paris. David has published more than 100 papers on a variety of geoscience topics. He is the founder and editor of Marine and Petroleum Geology and is the recipient of numerous awards. David also runs his own geoscience consultancy. In 2006 David was appointed as a non-executive Director of Premier Oil plc and was awarded Honorary Fellowship of the Geological Society of America.

4. CHARLES TAVNER (AGED 33)**NON-EXECUTIVE DIRECTOR**

Charles has a MEng in Engineering from Downing College, Cambridge. He worked for 13 years for Cambridge Consultants Limited, latterly as part of their management team. Since 2006 Charles has worked for IP Group plc identifying and commercialising intellectual property from UK universities from the physical sciences, as well as managing the partnership with the University of Southampton. Charles also sits on the board of Nanotecture plc, an energy technology company.

5. PROFESSOR DEREK FAIRHEAD (AGED 63)**EXECUTIVE CHAIRMAN**

Derek is the founder of GETECH. Derek received a B.Sc. in Geology and Physics from Durham University, a M.Sc. in Geophysics from Newcastle University, and a Ph.D. in Geophysics from Newcastle University. He was Managing Director of GETECH for over 14 years until his appointment as Executive Chairman in November 2007. He is also the Professor of Applied Geophysics at the University of Leeds as well as having had over 100 papers published. Derek has an honorary Professorship at the Ocean University of Qingdao, China; was awarded the Bureau Gravimetric International BGI medal "for outstanding works on the Earth's gravity" in 1994; and received the Special Commendation Award by the Society of Exploration Geophysicists in 1999. Derek has numerous contacts in the oil and gas industry and Government Ministries/Survey Departments worldwide due to his involvement with the continental data compilation studies.

6. RAYMOND WOLFSON (AGED 54)**CHIEF EXECUTIVE OFFICER**

Raymond has a B.A. in Physics from Magdalen College, Oxford. He worked for 13 years in BNFL in various management consultancy and commercial roles and then moved to Ernst & Young and qualified as a Chartered Accountant. In 1991 he joined the technology transfer company at the University of Leeds, as Finance Director and later Investment Director. He has created and been a Director of many spin-out companies from the University, a significant number of which have raised funding and/or been sold. From 2003 until 2007 he was responsible for managing the intellectual property created at the University of Leeds. He has been a non-executive Director of GETECH throughout its trading history until taking up the position of CEO in November 2007.

7. DR PAUL MARKWICK (AGED 44)**GEOLOGICAL DIRECTOR**

Paul has a B.A. in Geology from St. Edmund Hall, Oxford, and a Ph.D. in Geophysical Sciences from The University of Chicago. He worked for two years at BP's Research Centre in Sunbury on Thames before moving to Chicago, where Paul studied with Professor Fred Ziegler's oil industry sponsored Paleogeographic Atlas Project, reconstructing the geographic and climatic evolution of the Earth over the last 120 million years. This was followed by a post doctorate at the University of Reading researching the exploration significance of the palaeoclimatic and drainage evolution of Southern Africa using computer based climate models. He then moved to Robertson Research International Limited, now part of Fugro, as a Staff Petroleum Geologist, where he developed global predictive models of source and reservoir facies, moving to GETECH in 2004. In 2006 Paul took over the management of GETECH's PSEG. Paul is also a Research Fellow at the Universities of Leeds and Bristol.

8. IAN SOMERTON (AGED 53)**MARKETING DIRECTOR**

Ian started his career as a Geophysicist at the British Antarctic Survey, UK, and Antarctica in 1976. During 1980-82 he worked in the Applied Geophysics Research Unit at Birmingham University before moving to Robertson Research International Limited, now part of Fugro. Whilst with Robertson Research International Limited, Ian was responsible for many geophysical acquisition, processing and interpretation projects. These involved overseas fieldwork in countries including Saudi Arabia, Turkey, Portugal, Botswana, Oman, Papua New Guinea, Somalia, Libya and Yemen. Ian joined GETECH in 1994 and his current responsibilities include co-ordinating the marketing of all GETECH's products and services to oil, gas and mining companies.

REPORT OF THE DIRECTORS

The Directors present their report and financial statements for the year ended 31 July 2008.

PRINCIPAL ACTIVITY

The Group's principal activity is the provision of gravity and magnetic data, services and geological studies to the petroleum and mining industries to assist in their exploration activities. A detailed business review of the year and future development is included in the Chairman's Statement and the Operating Review on pages 2 to 7. That business review is incorporated in the Directors' Report by reference.

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £900,000 (2007: £805,399). The revenue for the year was £4,125,981 (2007: £3,561,159). The Board is satisfied with these results which are discussed in the Chairman's Statement and Operating Review. This is the first year for which reporting is in accordance with International Financial Reporting Standards (IFRS).

In addition to the interim dividend of 0.6p per share (2007: 0.4p), the Directors recommend a final dividend of 0.7p per share (2007: 0.8p) which, subject to approval at the Annual General Meeting on 27 November 2008, will be payable on 5 December 2008 to those shareholders on the register of members on 7 November 2008.

DIRECTORS

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

Professor J D Fairhead
C Glass
Dr C M Green (resigned 20 September 2007)
Dr P J Markwick (appointed 20 September 2007)
Dr D G Roberts
I W Somerton
P F H Stephens
C Tavner (appointed 4 September 2008)
R Wolfson

SUBSTANTIAL SHAREHOLDERS

The Company has been notified at 24 September 2008 of the following interests in excess of 3% of the issued ordinary share capital of the Company:

	Number of Ordinary Shares	% of issued share capital
Professor J D Fairhead	8,844,128	31.94
IP Group plc	5,605,866	20.24
Invesco Perpetual	2,651,000	9.57
Dr C M Green	1,797,080	6.49
University of Leeds	940,426	3.40
Axa Framlington	925,000	3.34
P F H Stephens	850,000	3.07

CORPORATE GOVERNANCE

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

The key performance indicators used by the Directors to monitor the performance of the Company are revenue and operating profit. Revenue has increased by 16% and operating profit by 27% and the Directors are pleased with this performance.

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

FINANCIAL RISK

The most important components of financial risk are deposit 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, are designed to attract and retain the high quality staff who are the basis for its success.

SYSTEMS AND INFRASTRUCTURE

The Group is reliant on its IT infrastructure in order to trade. A failure in these systems could have a significant impact on its business. The Group has controls in place to maintain the integrity and efficiency of its systems which are regularly backed-up, updated and tested.

DIRECTORS' INDEMNITY

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

CREDITOR PAYMENT POLICY

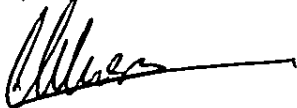
The Group's strategy is to build mutually beneficial relationships with its key suppliers. So long as suppliers have provided the goods and services in accordance with the previously agreed terms and conditions, the Group's policy is to pay in accordance with those terms.

The average number of days for which purchases were outstanding for payment by the Group was 42 (2007: 42 days).

AUDITORS

Grant Thornton UK LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board:



C GLASS
COMPANY SECRETARY
24 OCTOBER 2008

DIRECTORS' RESPONSIBILITIES

in respect of the preparation of financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Parent Company financial statements under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 IFRSs 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 proper accounting records that 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 1985. 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are 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 auditors are 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.

REPORT OF THE INDEPENDENT AUDITOR

to the members of GETECH Group plc

We have audited the Group and Parent Company financial statements (the "financial statements") of GETECH Group plc for the year ended 31 July 2008 which comprise the principal accounting policies, the Group income statement, the Group statement of recognised income and expense, the Group and Parent Company balance sheets, the Group cash flow statement and notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and IFRSs as adopted by the European Union, and for preparing the Parent Company financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement and Operating Review that is cross-referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, the Operating Review and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Group's and 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.

OPINION

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 July 2008 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985;
- the Parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Parent Company's affairs as at 31 July 2008 and of its profit for the year then ended;
- the Parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

SEPARATE OPINION IN RELATION TO IFRSs

As explained in note 3 to the Group financial statements, the Group, in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the Group financial statements give a true and fair view, in accordance with IFRSs, of the state of the Group's affairs as at 31 July 2008 and of its profit for the year then ended.


GRANT THORNTON UK LLP
REGISTERED AUDITOR, CHARTERED ACCOUNTANTS
LEEDS
24 OCTOBER 2008

CONSOLIDATED INCOME STATEMENT

for the year ended 31 July 2008

	Note	2008 £	2007 £
Revenue	5	4,125,981	3,561,159
Cost of sales		(940,420)	(970,532)
Gross profit		3,185,561	2,590,627
Administrative costs		(2,363,929)	(1,944,174)
Operating profit	6	821,632	646,453
Finance income	8	78,612	158,946
Finance costs		(244)	—
Profit before tax		900,000	805,399
Income tax expense	9	(298,429)	(300,968)
Profit for the year attributable to equity holders of the parent		601,571	504,431
Earnings per share			
Basic earnings per share	11	2.17p	1.82p
Diluted earnings per share	11	2.17p	1.82p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 31 July 2008

	2008 £	2007 £
Profit for the year	601,571	504,431
Currency translation differences	28,156	(21,771)
Tax on items taken directly to equity	(6,963)	—
Net expense recognised directly in equity	21,193	(21,771)
Total recognised income and expense for the year attributable to equity holders of the parent	622,764	482,660

All activities relate to continuing operations.

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

as at 31 July 2008

	Note	2008 £	2007 £
Assets			
Non-current assets			
Property, plant and equipment	12	2,791,331	2,800,587
Goodwill	13	—	1,054
Deferred tax assets	9	37,000	60,000
		2,828,331	2,861,641
Current assets			
Inventories	14	440,978	192,592
Trade and other receivables	15	1,601,525	2,038,124
Cash and cash equivalents	16	1,687,632	942,622
		3,730,135	3,173,338
Total assets		6,558,466	6,034,979
Liabilities			
Current liabilities			
Trade and other payables	17	1,766,834	1,421,853
Current tax payable		98,673	250,000
		1,865,507	1,671,853
Non-current liabilities			
Deferred tax liabilities	9	40,986	—
		40,986	—
Total liabilities		1,906,493	1,671,853
Net assets		4,651,973	4,363,126
Equity			
Equity attributable to shareholders of the parent			
Share capital	20	69,231	69,231
Share premium account	21	2,460,927	2,460,927
Capital redemption reserve	21	6	6
Share option reserve	21	132,775	79,000
Currency translation reserve	21	(578)	(21,771)
Retained earnings	21	1,989,612	1,775,733
Total equity		4,651,973	4,363,126

The financial statements on pages 14 to 37 were approved by the Board of Directors on 24 October 2008.

P F H STEPHENS

DIRECTOR

John Stephens

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 July 2008

	Note	2008 £	2007 £
Cash flows from operating activities			
Profit before tax		900,000	805,399
Share-based payments		53,775	41,000
Depreciation and amortisation charges	12/13	73,536	33,547
Impairment loss recognised	13	1,068	—
Finance income		(78,612)	(158,946)
Finance costs		244	—
Exchange adjustments		28,040	(20,559)
(Increase) in inventories		(248,386)	(26,088)
Decrease/(increase) in debtors		496,599	(1,230,219)
Increase in creditors		344,981	339,718
Cash generated from/(used in) operations		1,571,245	(216,148)
Income taxes paid		(452,733)	(267,968)
Net cash generated from/(used in) operating activities		1,118,512	(484,116)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(64,178)	(2,797,078)
Interest received		78,612	158,946
Net cash generated from/(used in) investing activities		14,434	(2,638,132)
Cash flows from financing activities			
Equity dividends paid	10	(387,692)	(276,923)
Interest paid		(244)	—
Net cash (used in) financing activities		(387,936)	(276,923)
Net increase/(decrease) in cash and cash equivalents		745,010	(3,399,171)
Cash and cash equivalents at beginning of year		942,622	4,341,793
Cash and cash equivalents at end of year	16	1,687,632	942,622

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008

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, a limited liability company, 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 have been prepared in accordance with International Financial Accounting Standards (IFRS) in issue as adopted by the European Union (EU) and as issued by the International Accounting Standards Board.

GETECH's consolidated financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)) until 31 July 2007. The date of transition to IFRS was 1 August 2006 and the comparative figures in respect of 2007 have been restated to reflect changes in accounting policies as a result of adoption of IFRS. The disclosures required by IFRS 1 'First-time adoption of International Reporting Standards' concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules and are presented and explained in note 26.

These consolidated financial statements have been prepared under the historical cost convention.

The accounting policies set out below have been applied consistently throughout the Group for the purpose of preparation of these consolidated 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 38 to 41.

4 SUMMARY OF ACCOUNTING POLICIES

4.1 OVERALL CONSIDERATIONS

The Group has taken advantage of certain exemptions available under IFRS 1 'First-time Adoption of International Financial Reporting Standards'. The exemptions are explained in note 26.

The accounting policies that have been applied in the transitional balance sheet at 1 August 2006 have also been applied throughout all periods presented in these financial statements.

4.2 BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Parent Company and of its subsidiary undertaking drawn up to 31 July 2008. 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.

4.3 REVENUE

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

In respect of contracts which are long term in nature and contracts for on-going services, revenue, restricted to the amounts of cash that can be recovered is recognised according to the value of work done in the period. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion. Revenue is recognised when the following conditions are satisfied:

- it is probable that the economic benefit associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to completion can be measured reliably.

The stage of completion of the transaction is estimated by reference to estimated time-cost to completion.

For sales of data and completed project studies revenue is recognised on dispatch. This is when the Group has transferred the risks and rewards of the data and studies to the buyer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

4 SUMMARY OF ACCOUNTING POLICIES continued

4.4 ADOPTION OF IFRS 8 'OPERATING SEGMENTS'

The Group has decided to adopt early IFRS 8 'Operating Segments', which replaces IAS 14 'Segment Reporting'. Under both IAS 14 and IFRS 8, the Group would only have one operating or reportable primary segment, so the adoption of the standard early has no significant impact on the presentation of the results.

Further information about the Group's segment reporting policies is set out in note 5.

4.5 INVENTORIES

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

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

In assessing the costs associated with projects that are long term in nature, to the extent these costs cannot be matched with signed agreements, 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.

4.6 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 balance sheet date. Exchange gains or losses arising on the settlement of monetary items, or the translation of monetary items are included in profit from operations.

The assets and liabilities of the Group's overseas subsidiary undertaking are translated using exchange rates prevailing at the balance sheet date. The income statement of this undertaking is translated at the average exchange rates for the period which approximate to the actual rates on transaction dates. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve.

The treatment of translation differences arising on consolidation of subsidiaries following the transition to reporting under IFRS is set out in note 26. Note 26 also sets out the exemption adopted under IFRS 1.

4.7 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 to employees a charge is made to the Group income statement and a reserve created to record the fair value of the awards in accordance with IFRS 2 'Share-based Payment'. A charge is recognised in the income statement in relation to share options granted based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of future share price volatility, future risk-free interest rate, and exercise behaviour and is based on the Black Scholes method.

At each balance sheet date the Group revises its estimate of the number of share options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to share option reserve.

4.8 RESEARCH

Research expenditure is charged to the income statement of the period in which it is incurred.

4.9 LEASE CONTRACTS

Operating leases exist where the lessee of a leased asset does not substantially bear all the risks and rewards relating to the ownership of the asset. Economic ownership of the leased asset is not transferred to the lessee. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term.

4.10 GOODWILL

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Negative goodwill is recognised immediately after acquisition in the income statement.

Goodwill written off to reserves prior to the date of transition to IFRS remains in reserves. There is no reinstatement of goodwill that was amortised prior to transition to IFRS.

4 SUMMARY OF ACCOUNTING POLICIES continued

4.11 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, whether or not the asset is revalued.

Freehold land is carried at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

4.12 ACCOUNTING FOR FINANCIAL ASSETS

Financial assets comprise the following category:

- loans and receivables

Financial assets are assigned to different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

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 are classified as loans and receivables. Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to 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.

4.13 INCOME TAXES

Current tax is the tax currently payable based on the taxable profit 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 balance sheet date.

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

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.15 EQUITY

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares;
- "Share premium" 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

4 SUMMARY OF ACCOUNTING POLICIES continued

4.16 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 balance sheet date.

4.17 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 agreements of the instrument.

The Group's financial liabilities comprise trade and other payables which are initially recognised at fair value (net of transaction costs) and subsequently measured at amortised cost, using the effective interest rate method.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

4.18 SIGNIFICANT AREAS OF JUDGEMENT

In applying the above accounting policies, management has made appropriate estimates in key areas and the actual outcomes may differ from those calculated. The key sources of estimation at the balance sheet date are:

Contracts which are long term in nature and contracts for on-going services

The value of revenue recognised during the year is dependent on estimates of work to completion, and amounts contracted but not invoiced to customers.

Inventories

The value of work in progress is dependent on estimates of foreseeable losses and the impairment reviews of long-term contracts to consider whether revenue remains achievable.

Share options

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

Deferred tax assets

The realisation of deferred tax assets is dependent on the generation of sufficient future taxable profits. The Group recognises deferred tax assets where it is likely that the benefit will be realised.

4.19 STANDARDS AND INTERPRETATIONS NOT YET APPLIED BY GETECH

The following Standards and Interpretations, which are yet to become mandatory, have not been applied in the 2008 consolidated financial statements.

Standard or Interpretation	Effective for reporting periods starting on or after
IAS 1 'Presentation of Financial Statements (revised 2007)'	1 January 2009
IAS 23 'Borrowing Costs (revised 2007)'	1 January 2009
Amendment to IAS 32 'Financial Instruments: Presentation' and IAS 1 'Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation'	1 January 2009
IAS 27 'Consolidated and Separate Financial Statements (revised 2008)'	1 July 2009
Amendment to IFRS 2 'Share-based Payment – Vesting Conditions and Cancellations'	1 January 2009
Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' and IAS 27 'Consolidated and Separate Financial Statements – Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2009
Amendment to IAS 39 'Financial Instruments: Recognition and Measurement – Eligible Hedged Items'	1 July 2009
'Improvements to IFRSs'	1 January 2009 and 1 July 2009
IFRS 3 'Business Combinations' (revised 2008)	1 July 2009
IFRIC 12 'Service Concession Arrangements'	1 January 2008
IFRIC 13 'Customer Loyalty Payments'	1 July 2008
IFRIC 14 IAS 19 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'	1 January 2008
IFRIC 15 'Agreements for the Construction of Real Estate'	1 January 2009
IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008

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 SEGMENT REPORTING

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

Revenue is reported by geographical location of customers.

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

	2008		2007	
	Revenue £	Non-current assets £	Revenue £	Non-current assets £
USA	1,951,997	39,344	548,182	6,195
United Kingdom	329,502	2,788,987	1,344,823	2,855,446
Europe	757,465	—	577,374	—
Asia	751,165	—	719,898	—
Rest of World	335,852	—	370,882	—
Total entity	4,125,981	2,828,331	3,561,159	2,861,641

Within revenues generated from USA are sales to one customer amounting to £836,142. In 2007 revenues generated included sales to one customer from the United Kingdom of £1,165,000 and one from Asia of £428,000.

6 OPERATING PROFIT

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

	2008 £	2007 £
Cost of inventories recognised as an expense	1,646,544	1,594,679
Depreciation of property, plant and equipment	73,536	33,385
Impairment of intangible fixed assets	1,068	162
Remuneration receivable by the Group's auditor for audit services:		
– the auditing of the accounts	24,950	20,750
Remuneration receivable by the Group's auditor for non-audit services:		
– other services	11,900	4,700
Operating leases:		
– hire of plant and machinery	—	1,149
– rental costs of land and building	17,761	34,149
– sublease income	(7,986)	(9,850)
Research costs of products:		
– current year expenditure	—	7,619
Exchange rate changes on accounts operated in foreign currencies	(32,694)	(12,962)
Share-based payments	53,775	41,000

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

7 DIRECTORS AND EMPLOYEES

The employee benefit expenses during the year were as follows:

	2008 £	2007 £
Wages and salaries	1,440,271	957,426
Social security costs	145,396	91,498
Other pension costs	58,087	51,727
Share-based payments	46,689	41,000
Termination payments	6,625	—
Total	1,697,068	1,141,651

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

	2008 Number	2007 Number
– Directors	4	3
– Administration and technical	39	33
Total	43	36

Remuneration in respect of the Directors was as follows:

	2008 £	2007 £
Aggregate amount of emoluments	228,963	159,112
Aggregate value of Group contributions to pension schemes	9,803	12,362
Aggregate amount paid to third parties for Directors' services	115,192	111,549
Aggregate amount of share-based payments	27,280	15,732
Total	381,238	298,755

Included above are emoluments of the highest paid Director of £105,971 (2007: £100,813) and contributions to pension schemes for the highest paid Director of £1,091 (2007: £1,022).

	2008 Number	2007 Number
Number of Directors to whom retirement benefits accrue under the schemes	4	3

8 FINANCE INCOME

	2008 £	2007 £
Bank deposit interest income	78,612	158,946

9 INCOME TAX

THE TAX CHARGE COMPRISES

	2008 £	2007 £
Consolidated income statement		
Current income tax		
Current income tax charge	238,541	250,000
Adjustment in respect of prior year	(4,098)	(7,032)
Deferred income tax		
Origination of temporary differences	3,986	—
Reversal of temporary differences	60,000	58,000
Tax charge on profit	298,429	300,968
Consolidated statement of recognised income and expense		
Tax on items taken directly to equity		
Tax on currency translation differences	(6,963)	—
	(6,963)	—

FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK at 28% (2007: 30%).

The differences are explained as follows:

	2008 £	2007 £
Profit on ordinary activities before tax	900,000	805,399
Tax at UK corporation tax rate of 28% (2007: 30%)	252,000	241,620
Effects of:		
– expenses not tax deductible	20,016	18,015
– adjustment in respect of current income tax of prior years	(4,098)	(7,032)
– movement in tax deductible provisions	(4,871)	—
– adjustment in respect of tax rate changes	10,374	—
– adjustment for tax rate differences in foreign jurisdictions	44,019	—
– foreign subsidiary losses utilised against current year profits	(99,373)	(4,384)
– depreciation for the period in excess of/(less than) capital allowances	7,319	(5,251)
– deferred tax movement in respect of share-based payments	(21,943)	—
– deferred tax movement in respect of losses of foreign subsidiary company	60,000	58,000
– deferred tax movement in respect of foreign jurisdictions	34,986	—
Total tax expense reported in the consolidated income statement	298,429	300,968

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

9 INCOME TAX continued

DEFERRED TAXATION

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

	2008 £	2007 £
Deferred tax assets		
Balance brought forward	60,000	—
Losses (utilised)/available for relief against future taxable income	(60,000)	60,000
Share-based payments	37,000	—
Balance carried forward	37,000	60,000
Deferred tax liabilities		
Balance brought forward	—	—
Accelerated capital allowances	(6,000)	—
Foreign tax jurisdictions	(34,986)	—
Balance carried forward	(40,986)	—

The deferred taxation recognised in the financial statements at 28% (2007: 30%) is set out below:

	2008 £	2007 £
Trade losses	—	60,000
Share-based payments	37,000	—
Accelerated capital allowances	(6,000)	—
Foreign tax jurisdictions	(34,986)	—
Net deferred tax liability	(3,986)	60,000

The most appropriate tax rate for the Group is considered to be 28% (2007: 30%), the standard rate of profits tax in the UK which is the primary source of revenue for the Group. The statutory corporation tax rate reduced from 30% to 28% from 1 April 2008.

10 DIVIDENDS

	2008 £	2007 £
Paid during the year		
Final dividend in respect of the year ended 31 July 2007 at 0.8p per share (2006: 0.6p)	221,538	166,154
Interim dividend at 0.6p per share (2007: 0.4p)	166,154	110,769
	387,692	276,923
Proposed after the year end (not recognised as a liability)		
Final dividend in respect of the year ended 31 July 2008 at 0.7p per share (2007: 0.8p)	193,846	221,538

The proposed final dividend per share for the year ended 31 July 2008 is subject to approval by shareholders at the Annual General Meeting on 27 November 2008.

11 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.

	2008	2007
Profit attributable to equity holders of the Group	£601,571	£504,431
Weighted average number of Ordinary Shares in issue	27,692,307	27,692,307
Basic earnings per share	2.17p	1.82p

All options in issue at 31 July 2008 and 31 July 2007 were anti-dilutive.

12 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 2006	—	435,418	435,418
Additions	2,709,575	87,503	2,797,078
Disposals	—	(19,299)	(19,299)
Exchange differences	—	(13,710)	(13,710)
At 31 July 2007	2,709,575	489,912	3,199,487
Additions	40,056	24,122	64,178
Disposals	—	(28,625)	(28,625)
Exchange differences	—	2,551	2,551
At 31 July 2008	2,749,631	487,960	3,237,591
Depreciation			
At 1 August 2006	—	397,511	397,511
Charge for the period	5,745	27,640	33,385
Disposals	—	(19,299)	(19,299)
Exchange differences	—	(12,697)	(12,697)
At 31 July 2007	5,745	393,155	398,900
Charge for the period	34,775	38,761	73,536
Disposals	—	(28,625)	(28,625)
Exchange differences	—	2,449	2,449
At 31 July 2008	40,520	405,740	446,260
Carrying amount			
At 31 July 2008	2,709,111	82,220	2,791,331
At 31 July 2007	2,703,830	96,757	2,800,587
At 1 August 2006	—	37,907	37,907

The carrying amount of freehold land not subject to depreciation, amounted to £1,000,000 (2007: £1,000,000).

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

13 GOODWILL

Changes in the net carrying amount of goodwill are summarised as follows:

	Total £
Cost	
At 1 August 2006	1,253
Exchange differences	(199)
At 31 July 2007	1,054
Exchange differences	14
Impairment loss recognised	(1,068)
At 31 July 2008	—

Goodwill arose on the acquisition of a business in the USA more than five years ago. Management has conducted its annual impairment review and concluded that the goodwill no longer has any value to the Group. The impairment loss has been included in "Administrative costs" in the income statement.

14 INVENTORIES

	2008 £	2007 £
Work in progress	440,978	192,592

In 2008 a charge of £23,540 (2007: £23,540) was included in the income statement as an expense arising from an impairment review of inventories. The value of inventories held at fair value less costs to sell was £nil (2007: £23,540).

15 TRADE AND OTHER RECEIVABLES

	2008 £	2007 £
Trade receivables	701,873	1,290,125
Amounts recoverable on contracts	636,841	212,631
Social security and other taxes	17,635	343,557
Other receivables	1,191	8,522
Prepayments and accrued income	243,985	183,289
	1,601,525	2,038,124

All amounts are short term. The carrying amounts of trade and other receivables are at their fair values.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. None was found to be impaired. However, some of the unimpaired trade receivables are overdue as at the reporting date. The age of financial assets past due but not impaired is as follows:

	2008 £	2007 £
Not more than three months	83,820	463,016
More than three months but not more than six months	—	12,000
	83,820	475,016

16 CASH AND CASH EQUIVALENTS

	2008 £	2007 £
Cash at bank and in hand	290,973	920,681
Short-term bank deposits	1,396,659	21,941
	1,687,632	942,622

The effective interest rate on short-term bank deposits was 4.9%. These deposits have an average maturity of 16 days.

17 TRADE AND OTHER PAYABLES

	2008 £	2007 £
Trade payables	584,515	455,992
Social security and other taxes	43,785	29,165
Accruals and deferred income	1,138,534	936,696
	1,766,834	1,421,853

The carrying amounts of trade and other payables are at their fair values.

18 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:

FINANCIAL CURRENCY RISK

Exposure to currency exchange rates arises from the Group's overseas sales and purchases, most of which are denominated in US dollars. Assets and liabilities denominated in US dollars give rise to foreign exchange exposures at the balance sheet date. Assets and liabilities denominated in other currencies are not material.

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.

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 has significant short-term exposure to the US dollar at 31 July 2008. The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities. It assumes a +/- 10% change of the US dollar exchange rate for the year ended 31 July 2008. The percentages have been determined based on the average market volatility since the year end as there was insignificant volatility during the year. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each balance sheet date.

If pounds sterling had strengthened or weakened against the US dollar by 10% this would have had the following impact:

	2008		2007	
	+10% £	-10% £	+10% £	-10% £
Net result for the year	861,433	947,139	774,395	843,293
Equity	—	—	—	—

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

18 FINANCIAL INSTRUMENTS continued

FOREIGN CURRENCY SENSITIVITY

The Group's actual currency exposures at the balance sheet date were as follows:

	2008 £	2007 £
Denominated in US dollars		
Financial assets	542,058	421,761
Financial liabilities	(194,590)	(105,001)
Exposure	347,468	316,760

CREDIT RISK ANALYSIS

The Group's exposure to credit risk is limited to the carrying amount of its financial assets at the balance sheet date, as summarised below:

	2008 £	2007 £
Classes of financial assets – carrying amounts		
Trade and other receivables	1,389,050	1,622,111
Cash and cash equivalents	1,687,632	942,622
	3,076,682	2,564,733

In respect of trade and other receivables, 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 continuously monitors its trade receivables and incorporates this information into its credit risk controls.

Trade receivables are stated without any allowance for doubtful accounts 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 15.

The credit risk for liquid funds is considered negligible, since counterparties are reputable banks with high quality external credit ratings.

With the uncertainty after the year end in the banking sector, the Group has diversified the placing of its cash to mitigate risk and keeps the situation under review.

The Group does not hold any collateral as security.

INTEREST RATE RISK ANALYSIS

The Group has net cash and no borrowings (2007: £nil). The Group operates a conservative investment policy with those funds generally held as bank deposits.

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

The following table illustrates the sensitivity of the net result for the year and equity 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 each balance sheet date. All other variables are held constant.

	2008		2007	
	+1% £	-1% £	+1% £	-1% £
Net result for the year	916,448	883,553	834,570	776,228
Equity	—	—	—	—

18 FINANCIAL INSTRUMENTS continued**CAPITAL AND LIQUIDITY RISK**

At 31 July 2008 the Group had no borrowings. The Group's policy is to maintain a prudent level of funds to ensure the Group has available funds to meet its short and medium-term requirements and to meet any unforeseen obligations and opportunities.

The contractual maturity of the Group's financial liabilities at the balance sheet date was as follows:

	2008 £	2007 £
Within one year	1,723,049	1,392,688

SUMMARY OF THE GROUP'S FINANCIAL ASSETS AND LIABILITIES AS DEFINED IN IAS 39 'FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT'

	2008 £	2007 £
Current assets – loans and receivables		
Trade and other receivables	1,389,050	1,622,111
Cash and cash equivalents	1,687,632	942,622
	3,076,682	2,564,733
Current liabilities – held at amortised cost		
Trade and other payables	(1,723,049)	(1,392,688)
Net financial assets and liabilities	1,353,633	1,172,045

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2008 and 2007.

19 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

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

These objectives are maintained by pricing products and services commensurately with the level of risk.

The Group's goal in capital management is to maintain capital with no borrowing. There are no externally imposed capital requirements.

20 SHARE CAPITAL

	2008 £	2007 £
Authorised		
90,000,000 Ordinary Shares of £0.0025 each (2007: 90,000,000)	225,000	225,000
	225,000	225,000
Issued, called up and fully paid		
27,692,307 Ordinary Shares of £0.0025 each (2007: 27,692,307)	69,231	69,231
	69,231	69,231

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

21 STATEMENT OF CHANGES IN EQUITY

	Share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Currency translation reserve £	Retained earnings £	Total £
At 1 August 2006 – restated	69,231	2,460,927	6	38,000	—	1,548,225	4,116,389
Changes in equity for the year ended 31 July 2007							
Profit for the year	—	—	—	—	—	504,431	504,431
Exchange adjustments	—	—	—	—	(21,771)	—	(21,771)
Share-based payments	—	—	—	41,000	—	—	41,000
Total recognised income and expense for the year	—	—	—	41,000	(21,771)	504,431	523,660
Dividends paid	—	—	—	—	—	(276,923)	(276,923)
	—	—	—	41,000	(21,771)	227,508	246,737
At 31 July 2007 – restated	69,231	2,460,927	6	79,000	(21,771)	1,775,733	4,363,126
Changes in equity for the year ended 31 July 2008							
Profit for the year	—	—	—	—	—	601,571	601,571
Tax on items taken directly to equity	—	—	—	—	(6,963)	—	(6,963)
Exchange adjustments	—	—	—	—	28,156	—	28,156
Share-based payments	—	—	—	53,775	—	—	53,775
Total recognised income and expense for the year	—	—	—	53,775	21,193	601,571	676,539
Dividends paid	—	—	—	—	—	(387,692)	(387,692)
	—	—	—	53,775	21,193	213,879	288,847
At 31 July 2008	69,231	2,460,927	6	132,775	(578)	1,989,612	4,651,973

22 SHARE-BASED PAYMENTS

At 31 July 2008 the Group operated an Approved Enterprise Management Incentive Share Scheme (EMI) and an Unapproved Options Scheme.

The EMI options are subject to performance criteria based upon the option holders' continuing employment and the financial performance of the Group.

The unapproved options granted in 2005 are subject to performance criteria based on the financial performance of the Group.

The unapproved options granted in 2007 are not subject to performance criteria other than the option holders' continuing employment, due to the level of the option exercise price.

The options are not transferable.

Options have lapsed in the period where option holders have left the Group.

At 31 July 2008 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI SHARE SCHEME

Exercise period	Number of shares				2008
	2007	Granted	Exercised	Lapsed	
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 25 August 2014	195,744	—	—	(10,638)	185,106
31 July 2009 – 25 August 2014	146,809	—	—	(8,511)	138,298
31 July 2010 – 25 August 2014	146,809	—	—	(8,511)	138,298
31 July 2011 – 25 August 2014	146,809	—	—	(8,511)	138,298
31 July 2012 – 25 August 2014	146,809	—	—	(8,510)	138,299
	782,980	—	—	(44,681)	738,299
Granted 21 September 2005, exercise price: 39p per share					
31 July 2008 – 20 September 2014	63,825	—	—	(25,530)	38,295
31 July 2009 – 20 September 2014	42,555	—	—	(17,022)	25,533
31 July 2010 – 20 September 2014	42,555	—	—	(17,022)	25,533
31 July 2011 – 20 September 2014	42,555	—	—	(17,022)	25,533
31 July 2012 – 20 September 2014	42,555	—	—	(17,022)	25,533
	234,045	—	—	(93,618)	140,427
Granted 16 November 2007, exercise price: 45p per share					
5 November 2009 – 16 November 2017	—	300,000	—	—	300,000
	—	300,000	—	—	300,000
Total EMI scheme options	1,017,025	300,000	—	(138,299)	1,178,726

On 4 August 2008 further EMI options were granted for up to 201,000 shares at 29.75p per share. The exercise period is between 4 August 2011 and 4 August 2018.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

22 SHARE-BASED PAYMENTS continued

UNAPPROVED SHARE OPTIONS

Exercise period	Number of shares				2008
	2007	Granted	Exercised	Lapsed	
Granted 26 August 2005, exercise price 9.87p per share					
31 July 2008 – 25 August 2014	51,064	—	—	—	51,064
31 July 2009 – 25 August 2014	38,298	—	—	—	38,298
31 July 2010 – 25 August 2014	38,298	—	—	—	38,298
31 July 2011 – 25 August 2014	38,298	—	—	—	38,298
31 July 2012 – 25 August 2014	38,298	—	—	—	38,298
	204,256	—	—	—	204,256
Granted 21 September 2005, exercise price: 39p per share					
31 July 2008 – 20 September 2014	63,829	—	—	—	63,829
31 July 2009 – 20 September 2014	46,809	—	—	—	46,809
31 July 2010 – 20 September 2014	46,809	—	—	—	46,809
31 July 2011 – 20 September 2014	46,809	—	—	—	46,809
31 July 2012 – 20 September 2014	46,809	—	—	—	46,809
	251,065	—	—	—	251,065
Granted 24 August 2007, exercise price: 35p per share					
5 November 2008 – 24 August 2017	—	200,000	—	—	200,000
Granted 24 August 2007, exercise price: 55p per share					
5 November 2010 – 24 August 2017	—	400,000	—	—	400,000
Total unapproved share options	455,321	600,000	—	—	1,055,321
Total EMI Scheme and unapproved share options	1,472,346	900,000	—	(138,299)	2,234,047
				Weighted average exercise price	Number
Options outstanding at 31 July 2008				35.3p	1,895,753
Options exercisable at 31 July 2008				18.7p	338,294
					2,234,047

22 SHARE-BASED PAYMENTS continued

At 31 July 2007 rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI SHARE SCHEME

Exercise period	Number of shares				2007
	2006	Granted	Exercised	Lapsed	
Granted 26 August 2005, exercise price: 9.87p per share					
31 July 2008 – 25 August 2014	242,552	—	—	(46,808)	195,744
31 July 2009 – 25 August 2014	185,107	—	—	(38,298)	146,809
31 July 2010 – 25 August 2014	185,107	—	—	(38,298)	146,809
31 July 2011 – 25 August 2014	185,107	—	—	(38,298)	146,809
31 July 2012 – 25 August 2014	185,107	—	—	(38,298)	146,809
	982,980	—	—	(200,000)	782,980
Granted 21 September 2005, exercise price: 39p per share					
31 July 2008 – 20 September 2014	63,825	—	—	—	63,825
31 July 2009 – 20 September 2014	42,555	—	—	—	42,555
31 July 2010 – 20 September 2014	42,555	—	—	—	42,555
31 July 2011 – 20 September 2014	42,555	—	—	—	42,555
31 July 2012 – 20 September 2014	42,555	—	—	—	42,555
	234,045	—	—	—	234,045
Total EMI scheme options	1,217,025	—	—	(200,000)	1,017,025

UNAPPROVED SHARE OPTIONS

Exercise period	Number of shares				2007
	2006	Granted	Exercised	Lapsed	
Granted 26 August 2005, exercise price 9.87p per share					
31 July 2008 – 25 August 2014	51,064	—	—	—	51,064
31 July 2009 – 25 August 2014	38,298	—	—	—	38,298
31 July 2010 – 25 August 2014	38,298	—	—	—	38,298
31 July 2011 – 25 August 2014	38,298	—	—	—	38,298
31 July 2012 – 25 August 2014	38,298	—	—	—	38,298
	204,256	—	—	—	204,256
Granted 21 September 2005, exercise price: 39p per share					
31 July 2008 – 20 September 2014	89,361	—	—	(25,532)	63,829
31 July 2009 – 20 September 2014	65,958	—	—	(19,149)	46,809
31 July 2010 – 20 September 2014	65,958	—	—	(19,149)	46,809
31 July 2011 – 20 September 2014	65,958	—	—	(19,149)	46,809
31 July 2012 – 20 September 2014	65,958	—	—	(19,149)	46,809
	353,193	—	—	(102,128)	251,065
Total unapproved share options	557,449	—	—	(102,128)	455,321
Total EMI Scheme and unapproved share options	1,774,474	—	—	(302,128)	1,472,346

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

22 SHARE-BASED PAYMENTS continued

	Weighted average exercise price	Number
Options outstanding at 31 July 2007	19.4	1,472,346
Options exercisable at 31 July 2007	—	—
		1,472,346

The weighted average remaining contractual life of the outstanding share options at 31 July 2008 was 7.5 years (2007: 7.1 years).

During the year share options were granted for an aggregate of 900,000 Ordinary Shares as set out in the table for the year ended 31 July 2008.

The fair value of these options was calculated using the Black Scholes model, the inputs into which were:

	200,000 shares	300,000 shares	400,000 shares
Share price	30p	33p	33p
Exercise price	35p	45p	55p
Expected volatility	26.0%	29.5%	29.5%
Risk-free rate	5%	5%	5%
Expected time to exercise	6.5 years	6.5 years	7.0 years

23 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2008 (2007: £nil).

OPERATING LEASES

At 31 July 2008 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2008 Land and buildings £	2007 Land and buildings £
Less than one year	18,458	17,427
Between one and five years	24,275	41,588
	42,733	59,015

CAPITAL COMMITMENTS

	2008 £	2007 £
Contracts placed for future capital expenditure not provided in the accounts	—	1,284

24 RELATED PARTY TRANSACTIONS

During the year members of key management as defined by IAS 24 'Related Party Disclosures' included non Directors.

Their employee benefit expenses during the year were as follows:

	2008 £	2007 £
Short-term employee benefits	95,997	66,681
Share-based payments	4,436	2,566
	100,433	69,247

Directors' remuneration is set out in note 7.

C Glass, a Director of the Company, is a partner in Winburn Glass Norfolk, Chartered Accountants, which provides services to the Company, including the services of C Glass as Finance Director, on an arm's length basis in its normal course of business. The amount charged during the year amounted to £85,882 (2007: £39,410) of which £4,406 (2007: £5,818) was unpaid at the balance sheet date.

25 PENSIONS

The Group currently operates a Group personal pension plan for the benefit of employees.

26 TRANSITION TO IFRS – EFFECT OF FIRST TIME ADOPTION

This is the first year that the Group has presented its financial statements under IFRS as adopted by the EU. The last financial statements under UK GAAP were for the year ended 31 July 2007 and the date of transition to IFRS was 1 August 2006.

OVERALL CONSIDERATIONS

IFRS 1 'First time adoption of International Financial Reporting Standards' sets out the procedures to be followed when IFRS is adopted for the first time. The Group is required to determine its IFRS accounting policies and apply these retrospectively to determine its transitional balance sheet under IFRS. The standard allows a number of exemptions to this general principle to assist companies with their transition to reporting under IFRS.

The Group has chosen the following options:

- business combinations: business combinations prior to the transitional balance sheet date, 1 August 2006, have not been restated; and
- translation differences arising on consolidation of subsidiaries: IAS 21 requires such differences to be held in a separate reserve, rather than included in the retained earnings as was the case under UK GAAP. This reserve has been deemed to be £nil on 1 August 2006.

IFRS 7 'Financial Instruments: Disclosures', IAS 12 'Income Taxes' and IAS 21 'The Effects of Changes in Foreign Exchange Rates' have been applied retrospectively i.e. with amendments to the 2007 accounts and their presentation. The 2007 comparatives contained in these financial statements therefore differ from those published in the financial statements for the year ended 31 July 2007.

IAS 39 'Financial Instruments: Recognition and Measurement' has been applied retrospectively but there is no material effect on the comparative figures for the year ended 31 July 2007 and these have not been restated.

Other Standards or Interpretations relevant for IFRS financial statements did not become effective during the current year. These are listed in note 4.19.

Significant effects on current, prior and future periods arising from the first-time application of the Standards listed above in respect of presentation, recognition and measurement of the accounts are described in the following notes. An overview of Standards and Interpretations that will become mandatory for the Group in future periods is given below.

AMENDMENT OF IAS 1 'PRESENTATION OF FINANCIAL STATEMENTS'

In accordance with the amendment of IAS 1 'Presentation of Financial Statements', GETECH now reports on its capital management objectives, policies and procedures in each Annual Report. The new disclosures that became necessary due to this change in IAS 1 are set out in note 19.

ADOPTION OF IAS 12 'INCOME TAX'

In accordance with IAS 12 'Income Tax' the Group financial statements recognise a deferred tax asset in respect of the losses of the US subsidiary company to the extent they constitute a temporary timing difference.

ADOPTION OF IAS 21 'THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES'

In accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates' the financial statements account for translation differences in respect of the assets and liabilities of the foreign subsidiary in a separate reserve within equity.

ADOPTION OF IFRS 8 'OPERATING SEGMENTS'

The Group has elected to early adopt IFRS 8 'Segmental Reporting'. However there is no effect on the figures reported as GETECH has only one reportable segment.

EFFECT ON COMPARATIVE FIGURES

The transition to IFRS had no effect on the Group's cash flow statement at 31 July 2007.

The effect of changes on the consolidated income statement for the year ended 31 July 2007 is as follows:

	UK GAAP IFRS format Audited £	Income Tax IAS 12 £	Restated IFRS £
Revenue	3,561,159	—	3,561,159
Cost of sales	(970,532)	—	(970,532)
Gross profit	2,590,627	—	2,590,627
Administrative costs	(1,944,174)	—	(1,944,174)
Operating profit	646,453	—	646,453
Finance income	158,946	—	158,946
Profit before tax	805,399	—	805,399
Income tax expense	(242,968)	(58,000)	(300,968)
Profit for the year attributable to equity holders of the parent	562,431	(58,000)	504,431

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2008 CONTINUED

26 TRANSITION TO IFRS – EFFECT OF FIRST TIME ADOPTION continued

EFFECT ON COMPARATIVE FIGURES continued

The effect of changes on profit, on equity and on other elements of the Group's balance sheet as at 31 July 2007 is as follows:

	UK GAAP IFRS format Audited £	Income Tax IAS 12 £	Changes in Foreign Exchange Rates IAS 21 £	Restated IFRS £
Assets				
Non-current assets				
Property, plant and equipment	2,800,587	—	—	2,800,587
Goodwill	1,054	—	—	1,054
Deferred tax assets	—	60,000	—	60,000
	2,801,641	60,000	—	2,861,641
Current assets				
Inventories	192,592	—	—	192,592
Trade and other receivables	2,038,124	—	—	2,038,124
Cash and cash equivalents	942,622	—	—	942,622
	3,173,338	—	—	3,173,338
Total assets	5,974,979	60,000	—	6,034,979
Liabilities				
Current liabilities				
Trade and other payables	1,421,853	—	—	1,421,853
Current tax payable	250,000	—	—	250,000
	1,671,853	—	—	1,671,853
Total liabilities	1,671,853	—	—	1,671,853
Net assets	4,303,126	60,000	—	4,363,126
Equity				
Equity attributable to shareholders of the parent				
Share capital	69,231	—	—	69,231
Share premium account	2,460,927	—	—	2,460,927
Capital redemption reserve	6	—	—	6
Share option reserve	79,000	—	—	79,000
Currency translation reserve	—	—	(21,771)	(21,771)
Retained earnings	1,693,962	60,000	21,771	1,775,733
Total equity	4,303,126	60,000	—	4,363,126

26 TRANSITION TO IFRS – EFFECT OF FIRST TIME ADOPTION continued**EFFECT ON COMPARATIVE FIGURES continued**

The effect of changes on profit, on equity and on other elements of the Group's balance sheet at the date of transition to IFRS, 1 August 2006 is as follows:

	UK GAAP IFRS format Audited £	Income Tax IAS 12 £	Restated IFRS £
Assets			
Non-current assets			
Property, plant and equipment	37,907	—	37,907
Goodwill	1,415	—	1,415
Deferred tax assets	—	118,000	118,000
	39,322	118,000	157,322
Current assets			
Inventories	166,504	—	166,504
Trade and other receivables	807,905	—	807,905
Cash and cash equivalents	4,341,793	—	4,341,793
	5,316,202	—	5,316,202
Total assets	5,355,524	118,000	5,473,524
Liabilities			
Current liabilities			
Trade and other payables	1,082,135	—	1,082,135
Current tax payable	275,000	—	275,000
	1,357,135	—	1,357,135
Total liabilities	1,357,135	—	1,357,135
Net assets	3,998,389	118,000	4,116,389
Equity			
Equity attributable to shareholders of the parent			
Share capital	69,231	—	69,231
Share premium account	2,460,927	—	2,460,927
Capital redemption reserve	6	—	6
Share option reserve	38,000	—	38,000
Retained earnings	1,430,225	118,000	1,548,225
Total equity	3,998,389	118,000	4,116,389

COMPANY BALANCE SHEET – PREPARED UNDER UK GAAP

as at 31 July 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	2	2,788,987	2,795,446
Investments	3	—	—
		2,788,987	2,795,446
Current assets			
Stocks	4	440,978	192,592
Debtors	5	1,331,871	1,946,473
Cash at bank and in hand		1,636,894	848,413
		3,409,743	2,987,478
Creditors – amounts falling due within one year	6	1,773,534	1,659,824
Net current assets		1,636,209	1,327,654
Total assets less current liabilities		4,425,196	4,123,100
Provisions for liabilities			
Deferred taxation	9	(6,000)	—
Total assets less current liabilities		4,419,196	4,123,100
Representing:			
Capital and reserves			
Called up share capital	7	69,231	69,231
Share premium account	10	2,460,927	2,460,927
Capital redemption reserve	10	6	6
Share option reserve	10	132,775	79,000
Profit and loss account	10	1,756,257	1,513,936
Shareholders' funds	11	4,419,196	4,123,100

The financial statements on pages 38 to 41 were approved by the Board on 24 October 2008.

P F H STEPHENS

DIRECTOR

P F H Stephens

The accompanying notes on pages 39 to 41 form an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

– PREPARED UNDER UK GAAP

for the year ended 31 July 2008

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 the period of their estimated economic lives. The following rates are applied:

- Freehold buildings – 2% per annum on cost
- Fixtures, fittings and equipment – 33.3% and 25% per annum on cost

No depreciation is provided on freehold land.

1.3 REVENUE

Revenue is the total amount receivable by the Company for services provided, excluding VAT.

In respect of contracts which are long term in nature and contracts for on-going services, when the outcome of the contract can be estimated reliably, revenue is recognised according to the value of work done in the period, including in relation to estimates of amounts not invoiced. Revenue in respect of such contracts is calculated on the basis of time spent on the project and estimated work to completion. Revenue is recognised when the following conditions are satisfied:

- it is probable that the economic benefit associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to completion can be measured reliably.

The stage of completion of the transaction is estimated by reference to estimated time-cost to completion.

For sales of data and completed project studies revenue is recognised on dispatch. This is when the Group has transferred the risks and rewards of the data and studies to the buyer.

1.4 LONG-TERM CONTRACTS AND WORK IN PROGRESS

Costs associated with long-term contracts are included in work in progress to the extent that they cannot be matched with contract work accounted for as revenue. Long-term contract balances included in work in progress are stated at cost, 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, to the extent these costs cannot be matched with signed agreements, 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 recoverable amounts.

1.5 SHARE OPTIONS

When share options are granted to employees a charge is made to the 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 future share price volatility, future risk-free interest rate and exercise behaviour and is based on the Black Scholes method.

At each balance sheet date the Company revises its estimate of the number of share options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to retained earnings.

1.6 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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

– PREPARED UNDER UK GAAP

for the year ended 31 July 2008 CONTINUED

2 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 August 2007	2,709,575	397,262	3,106,837
Additions	40,056	24,122	64,178
Disposals	—	(28,626)	(28,626)
At 31 July 2008	2,749,631	392,758	3,142,389
Depreciation			
At 1 August 2007	5,745	305,646	311,391
Charge for the period	34,775	35,862	70,637
On disposals	—	(28,626)	(28,626)
At 31 July 2008	40,520	312,882	353,402
Net book value			
At 31 July 2008	2,709,111	79,876	2,788,987
At 31 July 2007	2,703,830	91,616	2,795,446

The net book value of freehold land in the Company, not subject to depreciation, amounted to £1,000,000 (2007: £1,000,000).

3 FIXED ASSET INVESTMENTS

The Company owns 100% equity interest in Geophysical Exploration Technology Inc., a company incorporated in the USA. The principal activity of Geophysical Exploration Technology Inc. is the marketing of gravity and magnetic data, services and geological evaluations. The cost of \$10 capital stock was £1 and this has been written off in an earlier period. The results of Geophysical Exploration Technology Inc. are included in the consolidated figures for the year.

4 STOCKS

	2008 £	2007 £
Work in progress	440,978	192,592

5 DEBTORS

	2008 £	2007 £
Trade debtors	304,417	1,075,805
Amount owed by Group undertakings	107,013	171,873
Amounts recoverable on contracts	636,841	212,631
Other debtors	18,826	350,103
Deferred tax asset	37,000	—
Prepayments and accrued income	227,774	136,061
	1,331,871	1,946,473

Other debtors at 31 July 2007 includes £377,620 in respect of a VAT refund on the purchase of the freehold property.

6 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	584,515	455,992
Corporation tax	43,169	250,000
Other taxation and social security	43,701	28,920
Accruals and deferred income	1,102,149	924,912
	1,773,534	1,659,824

7 SHARE CAPITAL

	2008 £	2007 £
Authorised		
90,000,000 Ordinary Shares of £0.0025 each (2007: 90,000,000)	225,000	225,000
	225,000	225,000
Issued, called up and fully paid		
27,692,307 Ordinary Shares of £0.0025 each (2007: 27,692,307)	69,231	69,231
	69,231	69,231

8 DEFERRED TAX ASSET

	2008 £	2007 £
At 1 August 2007	—	—
Credit for the year – share-based payments	37,000	—
At 31 July 2008	37,000	—

9 DEFERRED TAX LIABILITY

	2008 £	2007 £
At 1 August 2007	—	—
Charge for the year – depreciation in excess of capital allowances	(6,000)	—
At 31 July 2008	(6,000)	—

10 SHAREHOLDERS' FUNDS

	Share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 August 2007	69,231	2,460,927	6	79,000	1,513,936	4,123,100
Profit for the year	—	—	—	—	630,013	630,013
Share-based payments	—	—	—	53,775	—	53,775
Dividends paid	—	—	—	—	(387,692)	(387,692)
At 31 July 2008	69,231	2,460,927	6	132,775	1,756,257	4,419,196

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' and has not disclosed transactions with Group undertakings.

C Glass, a Director of the Company, is a partner in Winburn Glass Norfolk, Chartered Accountants, which provides services to the Company, including the services of C Glass as Finance Director, on an arm's length basis in its normal course of business. The amount charged during the year amounted to £85,882 (2007: £39,410) of which £4,406 (2007: £5,818) was unpaid at the balance sheet date.

12 CAPITAL COMMITMENTS

	2008 £	2007 £
Capital expenditure		
Contracted for	—	1,284

13 ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

14 PROFIT FOR THE FINANCIAL YEAR

The Parent Company has taken advantage of Section 230 of the Companies Act 1985 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 £630,014 (2007: £559,794).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the fourteenth Annual General Meeting of GETECH Group plc ("the Company") will be held at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ on 27 November 2008 at 12.00pm for the following purposes:

- 1 To receive the Directors' Report and the audited accounts of the Company for the year ended 31 July 2008.
- 2 To declare a final dividend of 0.7p per Ordinary Share of £0.0025 each, payable on 5 December 2008 to those shareholders on the register of members at the close of business on 7 November 2008.
- 3 To re-appoint Charles Tavner, who was appointed since the last Annual General Meeting, in accordance with Article 29 of the Company's Articles of Association, as a Director of the Company.
- 4 To re-elect Raymond Wolfson as a Director of the Company, in accordance with Article 34 of the Company's Articles of Association, who offers himself for re-election as a Director.
- 5 To re-elect Derek Fairhead as a Director of the Company, in accordance with Article 34 of the Company's Articles of Association, who offers himself for re-election as a Director.
- 6 To re-elect David Roberts as a Director of the Company, in accordance with Article 34 of the Company's Articles of Association, who offers himself for re-election as a Director.
- 7 To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, to authorise the Directors to determine the auditors' remuneration and approve the principal terms of the liability limitation agreement proposed to be entered into with Grant Thornton UK LLP in respect of the Company's current financial year.

ORDINARY RESOLUTION

- 8 To authorise the Board generally and unconditionally to exercise all powers of the Company to allot, grant options over, offer or otherwise deal with or dispose of relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £23,077.00 (being one third of the issued share capital of the Company as at the date of this notice) provided that this authority 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 save that the Board may before the expiry of the authority granted by this resolution make a further offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired and the authority granted by this resolution is in substitution for any authority to allot, grant options over, offer or otherwise deal with or dispose of relevant securities previously granted to the Directors which (to the extent that it remains in force and unexercised) is revoked.

SPECIAL RESOLUTIONS

- 9 To empower the Board (subject to the passing of the previous resolution) pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred upon them by the previous resolution as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment, provided that this power shall be limited to:
 - 9.1 the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the law of, or the requirements of, any recognised regulatory body or any stock exchange in any territory; and
 - 9.2 the allotment (otherwise than pursuant to sub-paragraph 9.1 above) of equity securities up to an aggregate nominal amount of £10,384.65 (being 15% of the issued share capital of the Company at the date of this notice);

and 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 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 power conferred by this resolution had not expired.

SPECIAL RESOLUTIONS continued

- 10 To authorise the Company generally and unconditionally for the purpose of Section 166 of the Companies Act 1985 to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of Ordinary Shares of £0.0025 each in the capital of the Company (Ordinary Shares) provided that:
- 10.1 the maximum aggregate number of Ordinary Shares authorised by this resolution to be purchased is 2,769,230 (representing 10% of the Company's issued share capital) as at the date of this notice;
 - 10.2 the minimum price which may be paid for such Ordinary Shares is £0.0025 per share (exclusive of advance corporation tax and expenses);
 - 10.3 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
 - 10.4 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 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.
- 11 That the Articles of Association be amended by making the alterations marked on the print of the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification with effect from the conclusion of the meeting.

By order of the Board

COLIN GLASS
COMPANY SECRETARY
31 OCTOBER 2008

REGISTERED OFFICE
CONVENTION HOUSE
ST MARY'S STREET
LEEDS LS9 7DP

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 adviser.
- 2 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 only those shareholders registered in the register of members of the Company as at 12.00pm on 25 November 2008 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 12.00pm on 25 November 2008 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. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 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 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.
- 6 A copy of the amended Articles of Association of the Company and a copy of the existing Articles of Association marked up to show the changes proposed to be made by resolution 11 will be available for inspection at the registered office of the Company during normal business hours up to and including the date of the Annual General Meeting and on the date of the Annual General Meeting at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ from 15 minutes before the Annual General Meeting until it ends.
- 7 As at 30 October 2008 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 27,692,307 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 30 October 2008 are 27,692,307.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

EXPLANATIONS 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 2008. That report and those accounts, and the report of the Company's auditors on those accounts, are set out on pages 10 to 37 of this document.

RESOLUTION NUMBER 2 – DIVIDENDS

A final dividend of 0.7p per share is recommended by the Directors for payment to shareholders on the register at the close of business on 7 November 2008. A final dividend can only be paid after it has been approved by shareholders at a general meeting and resolution 2 seeks such approval.

RESOLUTION 3 – RE-APPOINTMENT OF DIRECTOR

As Charles Tavner was appointed by the Board subsequent to the date of the last Annual General Meeting, he is required by the Company's Articles of Association to retire at this year's Annual General Meeting. The Directors recommend that Charles Tavner be elected as a Director and resolution 3 proposes his election.

RESOLUTION NUMBERS 4, 5 AND 6 – 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, Derek Fairhead and David Roberts retire by rotation and are offering themselves for re-election.

RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS, APPROVING THEIR REMUNERATION AND THE TERMS OF A LIABILITY LIMITATION AGREEMENT

The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next general meeting.

The present auditors, Grant Thornton UK LLP, are willing to continue in office for a further year and this resolution proposes their re-appointment and, in accordance with standard practice, authorises the Directors to determine the level of the auditors' remuneration and approves the agreement limiting the auditors' liability to the Company for negligence, default or breach of duty or trust in relation to the 2009 accounts.

The principal terms of the liability limitation agreement are set out in Appendix 1.

RESOLUTION NUMBER 8 – AUTHORITY TO ALLOT SHARES

The resolution grants the Directors authority to allot relevant securities up to an aggregate nominal amount of £23,077 being one third of the Company's ordinary share capital in issue at 30 October 2008. 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 9 – 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 pursuant to a rights issue 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 £10,384.65 being 15% of the Company's ordinary share capital in issue at 30 October 2008. This replaces the existing authority to disapply pre-emption rights and expires at the conclusion of the next Annual General Meeting of the Company or six months from the end of the Company's current financial year, whichever is the earlier.

EXPLANATIONS OF RESOLUTIONS continued**RESOLUTION NUMBER 10 – 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.

The resolution gives general authority for the Company to make purchases of up to 2,769,230 Ordinary Shares (being 10% of the Company's ordinary share capital in issue at 30 October 2008) 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).

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 came into force on 1 December 2003. These regulations allow shares to be purchased by the Company out of distributable profits and to be held as treasury shares, which then may be cancelled, either immediately or at a point in the future, re-sold for cash, or transferred in connection with the Company's employee share plans, provided the number of shares held does not exceed 10% of the issued ordinary share capital (excluding shares held in treasury) at any time. The Company intends to hold any shares bought back pursuant to this resolution in treasury, rather than cancel them immediately. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares and they will not be taken into account in future calculations of earnings per share (unless they are subsequently re-sold or transferred out of treasury).

RESOLUTION 11 – AMENDMENT OF ARTICLES OF ASSOCIATION

It is proposed in resolution 11 to amend the Articles of Association of the Company (the "Current Articles") in order to update them primarily to take account of changes in English company law brought about by the Companies Act 2006 (the "2006 Act").

The principal changes introduced in the amended Articles of Association of the Company (the "Amended Articles") are summarised in Appendix 2. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act have not been noted in Appendix 2. The Amended Articles showing all the changes to the Current Articles are available for inspection at the registered office of the Company during normal business hours up to and including the date of the Annual General Meeting and on that day at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ from 15 minutes before the Annual General Meeting until it ends.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

APPENDIX 1

PRINCIPAL TERMS OF A LIABILITY LIMITATION AGREEMENT TO BE ENTERED INTO BY THE COMPANY AND GRANT THORNTON UK LLP

This agreement limits the liability owed to the Company by Grant Thornton UK LLP in respect of any negligence, default, breach of duty, or breach of trust occurring in the course of the audit of the accounts for the financial period ending 31 July 2009 pursuant to the Letter of Engagement of which Grant Thornton UK LLP may be liable in relation to the Company (Grant Thornton UK LLP's liability).

This agreement shall not limit the liability of Grant Thornton UK LLP for dishonesty or fraud perpetrated by Grant Thornton UK LLP, or any other liability of Grant Thornton UK LLP that cannot be excluded or restricted by applicable laws or regulations.

Subject to the previous paragraph, Grant Thornton UK LLP's liability shall be limited in accordance with the following paragraphs:

Where any Person (as defined below), whether or not that person is or could be made a party to or a witness in any relevant proceedings, is also liable to the Company for, or has otherwise caused or contributed to, all or part of the same loss or damage as Grant Thornton UK LLP (a "Responsible Person"), and/or where the Company itself has contributed to such loss or damage, Grant Thornton UK LLP's liability shall be limited to such amount as is just and equitable having regard to the extent to which Grant Thornton UK LLP and any other such Responsible Person and the Company is liable for, or has otherwise caused or contributed to, such loss or damage. Any limitation exclusion or restriction (however arising) on the liability of any Responsible Person and any other matter (whenever arising), including inability to pay or insolvency, affecting the possibility of recovering compensation from any other such Responsible Person shall be ignored in determining:

- whether and to what extent that Responsible Person is liable to the Company for, or has caused or contributed to such loss or damage; and
- the amount to which Grant Thornton UK LLP's liability should be limited.

Neither Grant Thornton UK LLP nor the Company shall unreasonably resist the joinder to the proceedings or the calling as a witness in the proceedings of any Responsible Person.

"Person" means any corporate body, individual or other person, including:

- any Director or employee of the Company;
- persons associated with the Company; and
- persons providing or who have provided finance or services to the Company including other professionals and any governmental or regulatory authority or body where such governmental or regulatory authority or body is in breach of duty, whether statutory or otherwise, and has no statutory exemption from liability in damages in respect of the relevant loss or damage;

but excluding the Company itself and Grant Thornton UK LLP.

In accordance with Section 537 of the Companies Act 2006, if the effects of the preceeding paragraphs of this Liability Limitation Agreement would be to limit Grant Thornton UK LLP's liability to less than such amount as is fair and reasonable, as determined in accordance with that section this Liability Limitation Agreement shall have effect as if it limited Grant Thornton UK LLP's liability to such amount as is fair and reasonable, as so determined.

Grant Thornton UK LLP means the entity Grant Thornton UK LLP and includes any of its members, partners, employees, and any other person for whom Grant Thornton UK LLP is vicariously liable.

APPENDIX 2

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1 Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2 Form of resolution

The 2006 Act dispenses with the concepts of "extraordinary general meetings" and "extraordinary resolutions" and accordingly the Amended Articles have removed reference to these. Matters that formerly required the passing of an extraordinary resolution will instead now require the passing of a special resolution.

3 Power to allot and issue shares (Article 5)

Notwithstanding that the Board seek shareholder approval for issues of shares up to an agreed limit at each Annual General Meeting, it is proposed to amend Article 5 of the Current Articles to include the general parameters for any authority to allot shares which may be granted by shareholders to the Board at an Annual General Meeting. The authority allows the Board to allot shares up to an agreed amount known as the "Section 80" amount, in respect of a rights issue and in respect of any other issues up to an amount equal to the amount by which any pre-emption rights on allotment of shares are disapplied.

4 Declining registration of transfer of shares (Article 16.6)

The 2006 Act requires the Board to provide reasons for any refusal by it to register a transfer of shares in the Company and Article 16.6 has been amended to require the Board to provide notice of such reasons within two months of any such refusal.

5 Convening general meetings (Article 24)

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the 2006 Act. In particular, a general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 clear days' notice was required. 21 clear days' notice is still required for convening the Annual General Meeting (which must be held within six months of the end of the Company's accounting reference date) and this is reflected in Articles 23 and 24.

6 Quorum requirements (Article 25.2)

The 2006 Act makes it possible for a member to appoint more than one proxy or corporate representative. The 2006 Act provides that in general terms the quorum for a general meeting be calculated by reference to the numbers of 'qualifying persons' who are present at the meeting, which includes an individual who is a member of the Company, a person authorised under the 2006 Act to act as the representative of a corporation, and a person appointed as proxy of a member. It is proposed that the Current Articles be amended to make clear that there will be no double counting for qualifying persons who are representatives of the same corporation or proxies of the same member.

7 Proxies and corporations acting by representatives (Articles 25.2, 26, 28)

A proxy has a statutory right under the 2006 Act to speak at any general meeting. This right is not reflected in the Current Articles. The 2006 Act also confers on proxies the right to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the member. The Current Articles are not consistent with these provisions of the 2006 Act; accordingly, it is proposed that the Current Articles be amended to reflect the new rules.

Since the 2006 Act allows the appointment of multiple proxies and for proxies to vote on a show of hands, in order to guard against voting on a show of hands being distorted by one member appointing multiple proxies, it is proposed to amend the Current Articles by including a provision that the number of votes of the proxies appointed by a member shall not be more than that member would have had he attended in person (Article 26.8).

The 2006 Act allows corporations to appoint multiple representatives and Article 28.17 has been amended to permit this.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

APPENDIX 2 continued

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION continued

8 Age of directors on appointment

The Current Articles contain a provision requiring a Director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the Director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

9 Conflicts of interest (Article 38)

The 2006 Act sets out Directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008 a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. The 2006 Act allows Directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The 2006 Act also allows the Articles of Association to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty. It is therefore proposed that the Amended Articles allow the Directors to authorise conflicts and potential conflicts, subject to certain safeguards.

There are two principal safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the Amended Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

10 Board Committees (Article 43.8)

The Board is entitled to delegate any of its powers to committees. The Amended Articles confirm the position in the Current Articles that allow the Board to co-opt non-Directors onto such committees. However, any such co-opted members must be less than half of the total amount of the committee and no resolution of the committee will be effective unless a majority of the members present at the committee are Directors.

11 Capitalisation of reserves (Article 49)

It is not permitted for a company to allot shares below their par value. Issues can arise where share option prices are varied following a capitalisation of reserves or reorganisation of share capital, reducing the exercise price to below par value for a share. A new Article 49.1 has therefore been inserted into the Amended Articles to enable the Company to capitalise reserves available for distribution in paying up the difference in price between the option price and par value for a share to ensure that the Company does not fall foul of this legislative requirement.

12 Electronic and web communications (Article 53)

Provisions of the 2006 Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The Amended Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

13 Directors' indemnities and loans to fund expenditure (Articles 58 and 59)

The 2006 Act has, in some areas, widened the scope of the powers of a company to indemnify Directors and to fund expenditure incurred in connection with certain actions against Directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a Director against liability incurred in connection with the Company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a Director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

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