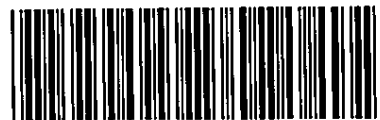


IMC GEOPHYSICS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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COMPANIES HOUSE

IMC GEOPHYSICS LIMITED

COMPANY INFORMATION

Directors	M Elstob J M Holt P J Jackson J B Lott A Riby D R T Waring
Secretary	D Watson
Company number	03048943
Registered office	PO Box 18 Mill Lane Huthwaite Nottinghamshire NG17 2NS
Auditors	PKF (UK) LLP Regent House Clinton Avenue Nottingham NG5 1AZ

IMC GEOPHYSICS LIMITED

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IMC GEOPHYSICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and the financial statements for the year ended 31 March 2007

Principal activities

The company provided a range of geophysical services to clients in the oil, gas and minerals exploration, civil engineering and environmental sectors. The trade and assets were transferred to IMC Geophysics International Limited on 2 January 2007. The company is now dormant.

Directors

The directors who served during the year were

M Elstob
J M Holt
P J Jackson
J B Lott
A Riby
D R T Waring

Liability insurance

The company maintains liability insurance for directors and officers, as permitted by section 309A (4) of the Companies Act 1985.

Financial risk management

Up until 2 January 2007, the company made sales on credit, and managed the risks through its credit control procedures.

For significant contracts denominated in foreign currencies, the company used forward contracts in order to minimise the impact of the exchange risk.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

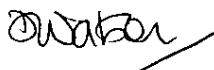
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, PKF (UK) LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 27 July 2007 and signed on its behalf



D Watson
Secretary

IMC GEOPHYSICS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2007

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

IMC GEOPHYSICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMC GEOPHYSICS LIMITED

We have audited the financial statements of IMC Geophysics Limited for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes. The 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable 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 have been properly prepared in accordance with the Companies Act 1985. We also 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

IMC GEOPHYSICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMC GEOPHYSICS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the 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

PKF(UK) LLP

PKF (UK) LLP

Registered auditors

Nottingham, UK

Date *30 July 2007*

IMC GEOPHYSICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 £000	2006 £000
TURNOVER	1,2	3,204	3,752
Cost of sales		<u>(1,226)</u>	<u>(1,095)</u>
GROSS PROFIT		1,978	2,657
Administrative expenses		<u>(1,772)</u>	<u>(2,122)</u>
OPERATING PROFIT	3	206	535
Interest receivable		<u>60</u>	<u>78</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		266	613
Tax on profit on ordinary activities	5	<u>2</u>	<u>(197)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>268</u>	<u>416</u>

The notes on pages 7 to 11 form part of these financial statements

IMC GEOPHYSICS LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2007**

	Note	£000	2007 £000	£000	2006 £000
FIXED ASSETS					
Tangible fixed assets	6		-		311
CURRENT ASSETS					
Stocks		-		69	
Debtors	7	48		582	
Cash at bank		345		422	
		<u>393</u>		<u>1,073</u>	
CREDITORS amounts falling due within one year	8	(8)		(1,083)	
NET CURRENT ASSETS/(LIABILITIES)			<u>385</u>		(10)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>385</u>		<u>301</u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account	10		285		201
SHAREHOLDERS' FUNDS			<u>385</u>		<u>301</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2007


J B Lott
Director

The notes on pages 7 to 11 form part of these financial statements

IMC GEOPHYSICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts and includes directly attributable overheads

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Field equipment	-	10-50% straight line
Motor vehicles	-	25% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	33% straight line

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is computed on a first in first out basis

1.6 Deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

IMC GEOPHYSICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES (continued)

1.8 Amounts recoverable on contracts

Attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

In accordance with the provisions of SSAP 9 (revised) 'Amounts Recoverable on Contracts' represents the value of work done at the lower of cost plus attributable profit and net realisable value, for which no invoice has been raised, but which is reflected within activity in the profit and loss account.

1.9 Pensions

The company operated three defined contribution pension schemes and the pension charge represents the amounts payable by the company to the funds in respect of the year.

2 TURNOVER

6.8% of the company's turnover (2006 - 19%) is attributable to geographical markets outside the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging

	2007 £000	2006 £000
Depreciation of tangible fixed assets		
- owned by the company	104	187
Auditors' remuneration	3	4
Pension costs	68	85
Difference on foreign exchange	3	3
	<u>178</u>	<u>279</u>

4. DIRECTORS' REMUNERATION

	2007 £000	2006 £000
Aggregate emoluments	323	545
	<u>323</u>	<u>545</u>

During the year retirement benefits were accruing to 2 directors (2006 - 2) in respect of money purchase pension schemes.

IMC GEOPHYSICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

5 TAXATION

	2007 £000	2006 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	-	196
Adjustments in respect of prior periods	(2)	1
Total current tax	(2)	197
Tax on profit on ordinary activities	(2)	197

Factors affecting tax charge for the year

There is no charge to corporation tax for the current year as there are balancing allowances of approximately £1.6m available following the disposal of all tangible fixed assets. The resultant losses are being utilised to cover group chargeable gains arising in the period.

Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £Nil (2006 - £434,000) arising mainly from the tax written down value of fixed assets exceeding the net book amount shown in the financial statements.

6 TANGIBLE FIXED ASSETS

	Field equipment £000	Furniture, equipment and motor vehicles £000	Total £000
Cost			
At 1 April 2006	4,156	130	4,286
Disposals	(4,156)	(130)	(4,286)
At 31 March 2007	-	-	-
Depreciation			
At 1 April 2006	3,865	110	3,975
Charge for the year	82	22	104
On disposals	(3,947)	(132)	(4,079)
At 31 March 2007	-	-	-
Net book value			
At 31 March 2007	-	-	-
At 31 March 2006	291	20	311

IMC GEOPHYSICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

7. DEBTORS

	2007 £000	2006 £000
Trade debtors	-	126
Amounts owed by group undertakings	-	184
Other debtors	48	242
Amounts recoverable on long term contracts	-	30
	<u>48</u>	<u>582</u>

8 CREDITORS

Amounts falling due within one year

	2007 £000	2006 £000
Payments received on account	-	10
Trade creditors	-	408
Amounts owed to group undertakings	8	11
Corporation tax	-	196
Social security and other taxes	-	73
Other creditors	-	385
	<u>8</u>	<u>1,083</u>

9 SHARE CAPITAL

	2007 £000	2006 £000
Authorised, allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10 RESERVES

	Profit and loss account £000
At 1 April 2006	201
Profit retained for the year	268
Dividends Equity capital	(184)
	<u>285</u>
At 31 March 2007	<u>285</u>

11 DIVIDENDS

	2007 £000	2006 £000
Dividends paid on equity capital	<u>184</u>	<u>301</u>

IMC GEOPHYSICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

12 CONTINGENT LIABILITIES

The bank held a cross guarantee over indebtedness of all IMC Group companies. The arrangement ceased from December 2006. There were no amounts outstanding under the guarantee at the year end.

At the year end, the company had issued bank guarantees totaling £48,000 (2006 - £180,000) in the normal course of business. No liability is expected to arise from these guarantees.

13. PENSION COMMITMENTS

During the year the company operated three defined contribution schemes through Friends Provident for employees of the company. These schemes were funded independently of the company's finances.

Pension costs relating to the scheme are charged to the profit and loss as incurred.

Contributions amounted to £68,000 (2006 - £85,000). At the year end, there were contributions outstanding of £Nil (2006 - £11,000).

14. OPERATING LEASE COMMITMENTS

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows:

	2007 £000	2006 £000
Expiry date:		
Within 1 year	-	5

15 RELATED PARTY TRANSACTIONS

Sales in the year included £2,936,000 (2006 - £2,029,000) to IMC Geophysics International Limited, a fellow subsidiary. At the year end, there was £8,000 (2006 - £184,000 due from debtors) due to this company in creditors.

Administration expenses include £102,000 (2006 - £130,000) of accommodation and management charges from IMC Group Holdings Limited, the parent company. At the year end, £Nil (2006 - £11,000) was included in creditors which is owed to IMC Group Holdings Limited.

On 2 January 2007, the trade and assets of IMC Geophysics Limited were transferred to IMC Geophysics International Limited.

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by IMC Group Holdings Limited. IMC Group Holdings Limited is ultimately controlled by IMC Group Holdings (2006) Limited, the ultimate parent company.