

CODA OCTOPUS LIMITED  
FINANCIAL STATEMENTS  
31 OCTOBER 2005

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**CODA OCTOPUS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2005**

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# **CODA OCTOPUS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>Director</b>	J L Reid
<b>Company secretary</b>	A Lista
<b>Registered office</b>	Admiral House 29 30 Maritime Street Edinburgh EH6 6EA
<b>Auditors</b>	Blick Rothenberg Chartered Accountants and Registered Auditors 12 York Gate Regent's Park London, NW1 4QS

# **CODA OCTOPUS LIMITED**

## **DIRECTOR'S REPORT**

### **YEAR ENDED 31 OCTOBER 2005**

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The director presents his report and the audited financial statements of the company for the year ended 31 October 2005

#### **Principal activity**

The principal activity of the company during the year was the development of underwater survey equipment and related technologies

#### **Review of the business and future developments**

The results for the year and the financial position at the year were as anticipated by the director who expects an improved performance in the foreseeable future

#### **Results and dividends**

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

The director does not recommend a dividend

It is proposed to transfer the retained loss for the year of £2,014,869 to reserves

#### **Directors and their interests**

The directors who served the company during the year were as follows

Mr J L Reid

Mr C Reid

(Resigned 17 February 2005)

The directors do not have an interest in the share capital of the company and have taken advantage of the exemption allowing directors not to disclose their interests in the share capital of the ultimate parent company as it is incorporated outside Great Britain

The interest of the director in the share capital of other group companies is disclosed in the directors' report of the ultimate parent undertaking

#### **Directors responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the year then ended

In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent

The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

# **CODA OCTOPUS LIMITED**

## **DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 OCTOBER 2005**

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### **Director's responsibilities** *(continued)*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

A resolution to reappoint Blick Rothenberg as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by



J L Reid  
Director

sl.17

# **CODA OCTOPUS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**YEAR ENDED 31 OCTOBER 2005**

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We have audited the financial statements of Coda Octopus Limited for the year ended 31 October 2005 on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9

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 the directors and the auditors**

As described in the Statement of director's responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

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

# **CODA OCTOPUS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS** *(continued)*

**YEAR ENDED 31 OCTOBER 2005**

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### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985

12 York Gate  
Regent's Park  
London, NW1 4QS

14 January 2007

*Blick Rothenberg*

**BLICK ROTHENBERG**  
Chartered Accountants and  
Registered Auditors

**CODA OCTOPUS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 OCTOBER 2005**

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	Note	2005 £	2004 £
Turnover	2	2,275,678	1,683,298
Cost of sales		(1,106,900)	(859,398)
<b>Gross profit</b>		<b>1,168,778</b>	<b>823,900</b>
Administrative expenses		(3,467,898)	(2,827,038)
Other operating income		—	4,303
<b>Operating loss</b>	3	<b>(2,299,120)</b>	<b>(1,998,835)</b>
Interest receivable and similar income	6	370	450
Interest payable and similar charges	7	(85,028)	(119,840)
<b>Loss on ordinary activities before taxation</b>		<b>(2,383,778)</b>	<b>(2,118,225)</b>
Tax on loss on ordinary activities	8	368,909	—
<b>Loss for the financial year</b>		<b><u>(2,014,869)</u></b>	<b><u>(2,118,225)</u></b>

All of the activities of the company are classed as continuing

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



# CODA OCTOPUS LIMITED


## BALANCE SHEET

31 OCTOBER 2005

	Note	£	2005 £	£	2004 £
<b>Fixed assets</b>					
Intangible assets	9		1,884		22,258
Tangible assets	10		17,818		47,640
Investments	11		84,565		84,565
			<u>104,267</u>		<u>154,463</u>
<b>Current assets</b>					
Stocks	12	412,913		424,034	
Debtors	13	469,336		584,699	
Cash at bank and in hand		6,101		5,344	
		<u>888,350</u>		<u>1,014,077</u>	
<b>Creditors: Amounts falling due within one year</b>	14	(3,065,110)		(1,264,640)	
<b>Net current liabilities</b>			(2,176,760)		(250,563)
<b>Total assets less current liabilities</b>			(2,072,493)		(96,100)
<b>Creditors: Amounts falling due after more than one year</b>	15		(24,419)		(24,419)
			<u>(2,096,912)</u>		<u>(120,519)</u>
<b>Provisions for liabilities and charges</b>					
Other provisions	17		(122,506)		(84,030)
			<u>(2,219,418)</u>		<u>(204,549)</u>
<b>Capital and reserves</b>					
Called up share capital	21		1,175,000		1,175,000
Share premium account	22		4,617,192		4,617,192
Profit and loss account	22		(8,011,610)		(5,996,741)
<b>Deficiency</b>	23		<u>(2,219,418)</u>		<u>(204,549)</u>

These financial statements were approved and signed by the director on

5/1/07

  
J.L. Reid  
Director

# **CODA OCTOPUS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2005**

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### **1 Accounting policies**

#### **1.1 Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on shareholders funds at the end of the year. The directors consider this basis to be appropriate as the company has sufficient facilities available from its parent undertaking to fund its working capital requirements over the next 12 months

#### **1.2 Consolidation**

The company is a subsidiary of Coda Octopus Group Inc, a company incorporated in the United States of America. As a result, the company, in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated financial statements. Accordingly the accounts present information about the company as an individual undertaking and not about its group

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services, net of VAT and trade discounts

#### **1.4 Intangible fixed assets**

Purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful economic life

#### **1.5 Amortisation**

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

Goodwill	4 years
Product development	5 years
Patents	5 years

#### **1.6 Depreciation**

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

Plant and machinery	33% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

#### **1.7 Stocks**

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

# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

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### 1. Accounting policies *(continued)*

#### 1.8 Leases

Assets held under finance leases and hire purchase contracts are capitalised at the fair value on the inception of the lease and are depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding and are charged to the profit and loss account.

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term.

#### 1.9 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### 1.10 Deferred taxation

Deferred tax 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 law. 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 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.

#### 1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### 1.12 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.13 Comparatives

The 2004 financial statements include the warranty provision of £84,030 in accruals and deferred income. The comparative figures have been adjusted accordingly to include the amount within provisions.

### 2 Turnover

The turnover and loss before tax are attributable to the principal activity of the company.

A geographical analysis of turnover is given below.

	2005 £	2004 £
United Kingdom	1,705,173	1,683,298
Rest of the world	570,505	—
	<u>2,275,678</u>	<u>1,683,298</u>

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# **CODA OCTOPUS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 OCTOBER 2005**

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#### **3 Operating loss**

Operating loss is stated after charging

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible fixed assets	<b>20,374</b>	17,806
Depreciation of tangible fixed assets	<b>42,348</b>	64,478
Loss on disposal of fixed assets	<b>–</b>	4,869
Provision against intercompany debt	<b>730,181</b>	–
Auditors' remuneration		
audit services	<b>25,125</b>	3,950
Operating lease costs		
plant and equipment	<b><u>3,004</u></b>	<b><u>6,480</u></b>

#### **4. Particulars of employees**

The average number of staff, including the directors, employed by the company during the financial year was

	<b>2005</b>	<b>2004</b>
	<b>Number</b>	<b>Number</b>
Production staff	<b>4</b>	4
Distribution staff	<b>1</b>	1
Administrative staff	<b>21</b>	18
	<b><u>26</u></b>	<b><u>23</u></b>

The aggregate payroll costs of the above were

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>999,768</b>	1,172,200
Social security costs	<b>111,950</b>	119,750
Other pension costs	<b>23,781</b>	37,868
	<b><u>1,135,499</u></b>	<b><u>1,329,818</u></b>

#### **5 Director's emoluments**

The director's aggregate emoluments in respect of qualifying services were

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Emoluments	<b>146,876</b>	181,587
Value of company pension contributions to money purchase schemes	<b>1,804</b>	8,000
	<b><u>148,680</u></b>	<b><u>189,587</u></b>

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# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 OCTOBER 2005

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**5 Director's emoluments (continued)**

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

	2005 Number	2004 Number
Money purchase schemes	<u>1</u>	<u>1</u>

**6 Interest receivable and similar income**

	2005 £	2004 £
Bank interest receivable	<u>370</u>	<u>450</u>

**7 Interest payable and similar charges**

	2005 £	2004 £
Interest payable on bank loans and overdrafts	68,008	119,840
Other similar charges	<u>17,020</u>	<u>—</u>
	<u>85,028</u>	<u>119,840</u>

**8. Taxation on ordinary activities**

	2005 £	2004 £
Current tax		
UK corporation tax based on the results for the year at 30% (2004 30%)	(124,230)	—
Adjustment in respect of previous years		
Corporation tax	<u>(244,679)</u>	<u>—</u>
	<u>(368,909)</u>	<u>—</u>

The company has estimated losses of £4,500,000 (2004 £4,200,000) available for carry forward against future trading profit

# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 OCTOBER 2005

#### 8 Taxation on ordinary activities (continued)

##### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 30%)

	2005 £	2004 £
Loss on ordinary activities before taxation	(2,383,778)	(2,118,225)
Loss on ordinary activities multiplied by the standard rate of tax in the UK	(715,133)	(635,467)
Expenses not deductible for UK tax	241,366	1,297
Depreciation in excess of capital allowances	12,704	26,146
Losses carried forward	305,775	608,024
Underprovision in prior year	(244,679)	
Enhanced research and development expenditure	(77,644)	
Surrender of research and development tax losses	108,702	
Total current tax	(368,909)	

There is a potential deferred tax asset of approximately £1,350,000 (2004 £1,260,000) which has not been recognised in the financial statements due to the uncertainty concerning the timescale as to its recoverability

It is anticipated that the deferred tax asset will be recovered when the company makes sufficient taxable profits

#### 9 Intangible fixed assets

	Goodwill £	Other £	Total £
<b>Cost</b>			
At 1 November 2004	42,000	954,661	996,661
Disposals	—	(946,097)	(946,097)
<b>At 31 October 2005</b>	<b>42,000</b>	<b>8,564</b>	<b>50,564</b>
<b>Amortisation</b>			
At 1 November 2004	24,500	949,903	974,403
Charge for the year	17,500	2,874	20,374
On disposals	—	(946,097)	(946,097)
<b>At 31 October 2005</b>	<b>42,000</b>	<b>6,680</b>	<b>48,680</b>
<b>Net book value</b>			
<b>At 31 October 2005</b>	<b>—</b>	<b>1,884</b>	<b>1,884</b>
At 31 October 2004	17,500	4,758	22,258

# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 OCTOBER 2005

#### 9 Intangible fixed assets *(continued)*

Other intangible fixed assets included £946,097 of fully amortised product development expenditure which was disposed during the period. The remaining balance represents patents.

#### 10 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 November 2004	201,931	36,206	2,250	240,387
Additions	12,390	136	—	12,526
<b>At 31 October 2005</b>	<b>214,321</b>	<b>36,342</b>	<b>2,250</b>	<b>252,913</b>
<b>Depreciation</b>				
At 1 November 2004	157,067	34,084	1,596	192,747
Charge for the year	40,176	1,518	654	42,348
<b>At 31 October 2005</b>	<b>197,243</b>	<b>35,602</b>	<b>2,250</b>	<b>235,095</b>
<b>Net book value</b>				
<b>At 31 October 2005</b>	<b>17,078</b>	<b>740</b>	<b>—</b>	<b>17,818</b>
At 31 October 2004	44,864	2,122	654	47,640

#### 11 Fixed asset investments

	Shares in group companies £
<b>Cost</b>	
At 1 November 2004 and 31 October 2005	90,815
<b>Amounts written off</b>	
At 1 November 2004 and 31 October 2005	6,250
<b>Net book value</b>	
<b>At 31 October 2005</b>	<b>84,565</b>
At 31 October 2004	84,565

# **CODA OCTOPUS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2005**

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### **11. Fixed asset investments (continued)**

Details of the company's principal subsidiary undertakings are as follows

<b>Company name</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Class of share</b>	<b>% holding</b>
Coda Octopus Inc	Sales of underwater survey Equipment	United States of America	Common stock	100%
Coda Octopus Omnitech AS	Sales of underwater survey Equipment	Norway	Common stock	100%

### **12 Stocks**

	<b>2005 £</b>	<b>2004 £</b>
Raw materials	<b>170,559</b>	184,494
Work in progress	<b>41,549</b>	14,072
Finished goods and goods for resale	<b>200,805</b>	225,468
	<b><u>412,913</u></b>	<b><u>424,034</u></b>

### **13. Debtors**

	<b>2005 £</b>	<b>2004 £</b>
Trade debtors	<b>182,633</b>	501,243
Other debtors	<b>265,199</b>	40,791
Prepayments and accrued income	<b>21,504</b>	42,665
	<b><u>469,336</u></b>	<b><u>584,699</u></b>

### **14 Creditors. Amounts falling due within one year**

	<b>2005 £</b>	<b>2004 £</b>
Invoice discounting	<b>28,797</b>	300,106
Bank loans and overdrafts	<b>1,608,166</b>	4,442
Trade creditors	<b>209,824</b>	438,628
Amounts owed to group undertakings	<b>773,022</b>	335,556
Taxation and social security	<b>220,603</b>	28,983
Finance leases and similar agreements	<b>—</b>	15,950
Other creditors	<b>40,708</b>	—
Accruals and deferred income	<b>183,990</b>	140,975
	<b><u>3,065,110</u></b>	<b><u>1,264,640</u></b>



# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

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### 14. Creditors: Amounts falling due within one year *(continued)*

The bank overdraft is secured by a bond and floating charge over all the assets of the company

The invoice discounting finance facility is secured over the company's trade debtors under a factoring arrangement

The amounts owed to group undertakings are interest free, unsecured and have no fixed repayment date

### 15. Creditors: Amounts falling due after more than one year

	2005 £	2004 £
Other creditors	<u>24,419</u>	<u>24,419</u>

Other creditors are unsecured and bear interest at a rate of 1% per month, with no fixed repayment terms

### 16. Obligations under finance leases and similar agreements

The maturity of these amounts is as follows

	2005 £	2004 £
Within one year	<u>—</u>	<u>15,950</u>
	<u>—</u>	<u>15,950</u>

### 17. Other provisions

	2005 £
<b>Warranty provisions</b>	
Balance brought forward	84,030
Movement for year	<u>38,476</u>
	<u>122,506</u>

# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 OCTOBER 2005

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#### 18. Commitments under operating leases

At 31 October 2005 the company had annual commitments under non cancellable operating leases as set out below

	Items other than land and buildings	
	2005	2004
	£	£
Operating leases which expire		
Within one year	—	12,394

#### 19 Contingencies

The company has guaranteed a bank loan of its subsidiary, Coda Octopus Omnitech AS. The balance of the loan at 31 October 2005 was £104,400 (2004 £127,500)

#### 20. Related party transactions and controlling party

In the opinion of the director the immediate controlling party is Coda Octopus Group Inc a company incorporated in the United States of America

The ultimate controlling party is J L Reid

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 90% or more of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available

Transactions with other related parties are as follows

Name (Relationship) Transaction		Amount		Amount due (to)/from related parties	
		2005	2004	2005	2004
		£	£	£	£
Green Meadow	Loan	3,705	—	(3,705)	—
Foods Limited	Recharges	3,153	3,153	—	—
(Group company)					
Weight Management	Loan	33,338	6,565	(39,903)	(6,565)
Group Limited	Recharges	29,819	35,085	—	—
(Group company)					

# CODA OCTOPUS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 20. Related party transactions and controlling party *(continued)*

Name (Relationship)	Transaction	Amount		Amount due (to)/from related parties	
		2005 £	2004 £	2005 £	2004 £
Softworks Business Systems Solutions Limited (Group company)	Loan	32,973	155,479	(198,599)	(165,626)
	Recharges	100,224	143,736	–	–
Weight Management (UK) Limited (Group company)	Loan	15,270	18,362	(38,123)	(22,853)
	Recharges	70,043	115,030	–	–
Fairwater Holdings Limited and its direct subsidiary (Group company)	Loan	1,418	–	(45,851)	(47,269)
	Recharges	–	25,056	–	–

### 21 Share capital

	2005		2004	
	Number	£	Number	£
<b>Authorised share capital:</b>				
Ordinary shares of £1 each	1,175,000	1,175,000	1,175,000	1,175,000
Preference shares of £1 each	175,000	175,000	175,000	175,000
	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>
<b>Called up, allotted and fully paid.</b>				
Ordinary shares of £1 each	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,175,000</u>

### 22 Reserves

	Share premium account £	Profit and loss account £
Balance brought forward	4,617,192	(5,996,741)
Loss for the year	–	(2,014,869)
Balance carried forward	<u>4,617,192</u>	<u>(8,011,610)</u>

# **CODA OCTOPUS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 OCTOBER 2005**

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#### **23 Reconciliation of movements in shareholders' funds**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(2,014,869)</b>	<b>(2,118,225)</b>
Premium on new share capital subscribed	<b>—</b>	<b>1,300,000</b>
Net reduction to shareholders' equity (deficit)/funds	<b>(2,014,869)</b>	<b>(818,225)</b>
Opening shareholders' equity (deficit)/funds	<b>(204,549)</b>	<b>613,676</b>
Closing shareholders' deficit	<b>(2,219,418)</b>	<b>(204,549)</b>

#### **24. Parent undertaking**

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Coda Octopus Group Inc, a company incorporated in the United States of America. Copies of group financial statements are available from 245 Park Avenue, 39th Floor, New York, NY 10167, USA

The ultimate parent company is Fairwater Holdings Limited, a company incorporated in Scotland