COMPANY REGISTRATION NUMBER: 02182421

Foster Findlay Associates Limited
Financial Statements
31 December 2016

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COMPANIES HOUSE

JOSEPH MILLER & CO
Chartered Accountants
Newcastle upon Tyne

Foster Findlay Associates Limited

Financial Statements

Year ended 31 December 2016

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Foster Findlay Associates Limited

Officers and Professional Advisers

The Board of Directors	J Grimnes – Chairman – Non-executive J Carney – Deputy Chairman – Non-executive J Henderson – Managing Director H Tveit – Non-executive
Company Secretary	N Blanshard
Registered office	Generator Studios Trafalgar Street Newcastle upon Tyne NE1 2LA
Auditor	Joseph Miller & Co Chartered accountant Milburn House Dean Street Newcastle upon Tyne NE1 1LE
Bankers	HSBC Bank Plc Kingsway Team Valley Trading Estate Gateshead Tyne & Wear NE14 0JT Yorkshire Bank Plc 131-135 Northumberland Street Newcastle upon Tyne NE1 7AG
Solicitors	Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE99 1SB
Patent Attorney	Murgitroyd & Company 3 Collingwood Street Newcastle NE1 1JW

The Company has offices in Newcastle, London, Houston, Rio de Janeiro, Perth and Kuala Lumpur

Website	http://www.geoteric.com

Foster Findlay Associates Limited

Strategic Report

Year ended 31 December 2016

The Directors present their strategic report for the Group for the year ended 31 December 2016.

Development and performance during the year

Foster Findlay Associates Limited is a limited liability company incorporated in England. The registered office is Generator Studios, Trafalgar Street, Newcastle upon Tyne, NE1 2LA.

The Company ("ffA") is an independent world-leading innovator in the development of Image Processing and Analysis ("IPA") technology and software. ffA technology is wholly owned by the Company.

The Group undertakes comprehensive business planning to define long term strategic objectives and goals. Annual budgets and operational plans are prepared utilising financial and non-financial Key Performance Indicators ("KPI's"). Business performance, measured by KPI's (including monitoring of actual results against budget targets and rolling forecasts), is reported to the Directors on a monthly basis.

Audit and Remuneration Committees, with memberships comprising non-executive Directors, are in place.

Turnover decreased by 9.59% compared to the previous year. The Group continued to expand its global presence and decreased many of its costs, resulting in a profit after taxation of £245,399.

Turnover for the current year is expected to increase.

Financial position at the reporting date

The balance sheet shows that the Group's net assets at the year end have increased from £4,810,635 to £6,618,886 and cash generated was £1,467,704, as a result of the increase in share capital during the year. The Group invested a further £901,834 in intangible fixed assets and £72,576 in tangible fixed assets.

Principal risks and uncertainties

The Group operates in a very competitive market in which customers demand good service and competitive pricing. In order to maintain profit margins the Group needs to carefully control direct and overhead costs. Credit control is also vitally important to minimise the risk of credit related losses.

This report was approved by the Board of Directors on 30 March 2017 and signed on behalf of the Board by:

J Henderson
Director

N Blanshard
Company Secretary

Foster Findlay Associates Limited

Directors' Report

Year ended 31 December 2016

The Directors present their report and the financial statements of the Group for the year ended 31 December 2016.

Directors
The Directors who served the Company during the year were as follows:

J Grimnes
J Carney
J Henderson
H Tveit

Disclosure of information in the strategic report
As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 2, these matters relate to the business review, principal risks and uncertainties and future developments.

Directors' responsibilities statement
The Directors are responsible for preparing the Strategic Report, Directors' 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Auditor
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Group and the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group and the Company's auditor is aware of that information.

This report was approved by the Board of Directors on 30 March 2017 and signed on behalf of the Board by:

N BLANSHARD
Company Secretary

Independent Auditor's Report to the Shareholders of Foster Findlay Associates Limited

Year ended 31 December 2016

We have audited the Group and Parent Company financial statements of Foster Findlay Associates Limited for the year ended 31 December 2016, on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's shareholders, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 14 to the financial statements concerning the uncertainty regarding the value of the Company's investments in and the amounts due from Group undertakings. The financial statements do not include provision for any impairment or amount that the Company is subsequently unable to recover.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Matters on which we are required to report by exception

we have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Gold BA FCA (Senior Statutory Auditor)
For and on behalf of
JOSEPH MILLER & CO
Statutory Auditor
Newcastle upon Tyne
18 April 2017

JOSEPH MILLER & CO
CHARTERED ACCOUNTANTS
NEWCASTLE UPON TYNE

Foster Findlay Associates Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	4,759,931	5,264,957
Other operating income		5,817	11,339
		4,765,748	5,276,296
Consumables, contractors and commission		(356,523)	(351,098)
Staff costs	7	(3,542,585)	(4,758,310)
Depreciation and amortisation		(925,150)	(808,908)
Other operating charges		(1,719,521)	(2,688,672)
Development costs capitalised		901,834	1,172,957
Gain/(loss) on foreign currency translation		643,398	(159,751)
Operating loss	5	(232,799)	(2,317,486)
Other interest receivable and similar income		6,557	7,806
Interest payable and similar charges	9	(8,098)	(9,820)
Loss before taxation		(234,340)	(2,319,500)
Tax on loss on ordinary activities	10	479,739	58,034
Profit/(loss) for the financial year		245,399	(2,261,466)
Profit/(loss) for the financial year		245,399	(2,261,466)
Foreign currency retranslation		(437,148)	117,950
Total comprehensive income for the year		(191,749)	(2,143,516)
Profit/(Loss) for the financial year attributable to:			
The owners of the Parent Company		245,650	(2,261,458)
Minority interests		(251)	(8)
		245,399	(2,261,466)
Total comprehensive income for the year attributable to:			
The owners of the Parent Company		(191,498)	(2,143,508)
Minority interests		(251)	(8)
		(191,749)	(2,143,516)

All the activities of the Group are from continuing operations.

Foster Findlay Associates Limited

Consolidated Statement of Financial Position

31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	12		4,778,810		4,639,574
Tangible assets	13		242,405		333,373
			5,021,215		4,972,947
Current assets					
Debtors	15	1,827,577		1,805,010	
Cash at bank and in hand		2,104,301		636,597	
		3,931,878		2,441,607	
Creditors: amounts falling due within one year	16	(2,331,656)		(2,583,357)	
Net current assets/(liabilities)			1,600,222		(141,750)
Total assets less current liabilities			6,621,437		4,831,197
Creditors: amounts falling due after more than one year	17		(2,551)		(20,562)
Net assets			6,618,886		4,810,635
Capital and reserves					
Called up share capital	21		10,059,291		582,576
Share premium account	22		1,002,277		8,478,992
EBT reserve	22		(72,860)		(72,860)
Profit and loss account	22		(4,369,554)		(4,178,056)
Equity attributable to the owners of the Parent Company			6,619,154		4,810,652
Minority interests			(268)		(17)
			6,618,886		4,810,635

These financial statements were approved by the Board of Directors and authorised for issue on 30 March 2017 and are signed on behalf of the Board by:

J HENDERSON
Director

Company registration number: 02182421

The notes on pages 11 to 22 form part of these financial statements.

Foster Findlay Associates Limited

Company Statement of Financial Position

31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	12		4,778,810		4,639,574
Tangible assets	13		144,680		271,747
Investments	14		637,921		344,248
			5,561,411		5,255,569
Current assets					
Debtors	15	4,335,402		3,597,390	
Cash at bank and in hand		1,732,582		357,951	
		6,067,984		3,955,341	
Creditors: amounts falling due within one year	16	(1,848,144)		(2,142,248)	
Net current assets			4,219,840		1,813,093
Total assets less current liabilities			9,781,251		7,068,662
Creditors: amounts falling due after more than one year	17		(2,551)		(20,562)
Net assets			9,778,700		7,048,100
Capital and reserves					
Called up share capital	21		10,059,291		582,576
Share premium account	22		1,002,277		8,478,992
EBT reserve	22		(72,860)		(72,860)
Profit and loss account	22		(1,210,008)		(1,940,608)
Shareholders' funds			9,778,700		7,048,100

These financial statements were approved by the Board of Directors and authorised for issue on 30 March 2017 and are signed on behalf of the Board by:

J HENDERSON
Director

Company registration number: 02182421

Foster Findlay Associates Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Share premium account £	EBT reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Minority interests £	Total £
At 1 January 2015	582,576	8,478,992	(72,860)	(2,034,548)	6,954,160	(9)	6,954,151
Loss for the year	–	–	–	(2,261,458)	(2,261,458)	(8)	(2,261,466)
Other comprehensive loss for the year:							
Foreign currency retranslation	–	–	–	117,950	117,950	–	117,950
Total comprehensive income for the year		–	–	(2,143,508)	(2,143,508)	(8)	(2,143,516)
At 31 December 2015	582,576	8,478,992	(72,860)	(4,178,056)	4,810,652	(17)	4,810,635
At 1 January 2016	582,576	8,478,992	(72,860)	(4,178,056)	4,810,652	(17)	4,810,635
Profit for the year	–	–	–	245,650	245,650	(251)	245,399
Other comprehensive income for the year:							
Foreign currency retranslation	–	–	–	(437,148)	(437,148)	–	(437,148)
Total comprehensive income for the year	–	–	–	(191,498)	(191,498)	(251)	(191,749)
Total investments by owners	9,476,715	(7,476,715)	–	–	2,000,000	–	2,000,000
At 31 December 2016	10,059,291	1,002,277	(72,860)	(4,369,554)	6,619,154	(268)	6,618,886

The notes on pages 11 to 22 form part of these financial statements.

Foster Findlay Associates Limited

Company Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Share premium account £	EBT reserve £	Profit and loss account £	Total £
At 1 January 2015	582,576	8,478,992	(72,860)	(660,614)	8,328,094
Loss and total comprehensive loss for the year	–	–	–	(1,279,994)	(1,279,994)
At 31 December 2015	582,576	8,478,992	(72,860)	(1,940,608)	7,048,100
Profit and total comprehensive profit for the year	–	–	–	730,600	730,600
Total investments by owners	9,476,715	(7,476,715)	–	–	2,000,000
At 31 December 2016	10,059,291	1,002,277	(72,860)	(1,210,008)	9,778,700

The notes on pages 11 to 22 form part of these financial statements.

Foster Findlay Associates Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2016

	Note	2016 £	2015 £
Cash inflow (outflow) from operations	23	205,808	(923,224)
Interest paid		–	(10)
Interest received		6,557	7,806
Tax received/(paid)		224,107	(85,272)
Net cash from/(used in) operating activities		436,472	(1,000,700)
Cash flows from investing activities			
Purchase of tangible assets		(72,576)	(67,169)
Proceeds from sale of tangible assets		1,591	–
Purchase of intangible assets		(901,834)	(1,172,957)
Net cash used in investing activities		(972,819)	(1,240,126)
Cash flows from financing activities			
Proceeds from issue of "B" Ordinary shares		2,000,000	–
Payments of finance lease liabilities		(58,072)	(74,844)
Net cash from/(used in) financing activities		1,941,928	(74,844)
Net increase/(decrease) in cash and cash equivalents		1,405,581	(2,315,670)
Cash and cash equivalents at beginning of year		636,597	2,949,481
Exchange gains on cash and cash equivalents		62,123	2,786
Cash and cash equivalents at end of year		2,104,301	636,597

The notes on pages 11 to 22 form part of these financial statements.

Foster Findlay Associates Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The Company is a private company limited by shares, registered in England and Wales. The address of the registered office is Generator Studios, Trafalgar Street, Newcastle upon Tyne, NE1 2LA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Pension costs
Contributions payable to the Group's pension schemes are charged to the profit and loss account in the period to which they relate.

Share-based payments
The Group issues equity-settled share-based payments to certain employees (including Directors). Equity-settled share-based payments are measured at fair value at the date of grant.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Investments in own shares
In accordance with Financial Reporting Standard 102 investments in own shares are accounted for as a deduction from equity and included in the Employment Benefit Trust (EBT) reserve in the accounts.

Consolidation
The financial statements consolidate the financial statements of Foster Findlay Associates Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The Parent Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Minority interests
Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

3. **Accounting policies** *(continued)*

Judgements and key sources of estimation uncertainty
In applying the Company's and Group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable.

Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In assessing whether there have been any indicators of impairment of assets, Directors have considered both external and internal sources of information such as market conditions, consumer demands and the experience of recoverability.

Revenue recognition
The Group generates revenues from licensing the rights to use its software products, seismic image processing services, training and customer support.

Revenue is measured at the fair value of the consideration received, net of VAT. The following criteria must also be met before revenue is recognised:

Revenues from software licence agreements are recognised when there is an agreement with a customer and delivery of the software has taken place. If significant post-delivery obligations exist, such as new versions and upgrades, then revenues are deferred until the obligations are met on a pro-rata basis over the period of the contract.

Revenues from maintenance services are recognised over the term of the maintenance period.

Revenues from seismic image processing services are recognised as services are performed.

Turnover represents the value of work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion.

Research and development tax credits are recognised when taxable losses are surrendered and the claims are made.

Taxation
Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies
Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

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

Exchange differences arising on translation of the Parent Company's net investments in subsidiary undertakings are taken to reserves.

3. **Accounting policies** *(continued)*

Operating leases
Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets
Intangible assets relate to development costs. Research and development expenditure is written off in the profit and loss account in the year in which it is incurred except prototype software costs on defined commercial projects which are included within intangible assets.

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

Intangible assets	-	10 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets
Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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

Leasehold improvements	-	Straight line over the remaining lease term
Computer equipment	-	33 1/3% cost and 25% reducing balance basis
Fixtures and fittings	-	15% reducing balance basis

Investments
Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Finance leases and hire purchase contracts
Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

3. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group or Company after deducting all of its liabilities.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	1,797,147	2,554,648
Rendering of services	2,962,784	2,710,309
	4,759,931	5,264,957

The turnover is attributable to the one principal activity of the Group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016	2015
	£	£
United Kingdom	445,863	627,020
Overseas	4,314,068	4,637,937
	4,759,931	5,264,957

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Loss on disposal of tangible assets	2,754	–
Pension costs and health insurance	331,973	347,461
Operating lease costs		
- Land and buildings	399,813	471,987
Amortisation of intangible assets	762,598	679,921
Depreciation of owned fixed assets	107,629	46,217
Depreciation of assets held under finance lease agreements	52,169	82,770

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	31,966	28,606
Fees payable to the Company's auditor for other services	16,646	15,723

7. Staff costs

The average number of persons employed by the Group during the year, including the Directors, amounted to:

	2016	2015
	No.	No.
Research, development and support employees	18	25
Sales employees and geoscientists	20	34
Administrative employees	4	5
Management employees	3	4
	45	68

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	2,901,288	3,979,437
Social security costs	309,324	431,412
Pension costs and health insurance	331,973	347,461
	3,542,585	4,758,310

8. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	138,577	156,347

9. Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank borrowing	–	11
Interest on obligations under finance leases and hire purchase contracts	8,098	9,809
	8,098	9,820

10. Tax on loss on ordinary activities

Major components of tax income

	2016	2015
	£	£
Current tax:		
Research and development tax credit	529,991	109,166
Foreign current tax expense	(50,252)	(51,132)
Total current tax income	479,739	58,034

11. Profit for the year of the Parent Company

The profit for the financial year of the Parent Company was £730,600 (2015: Loss of £1,279,994).

12. Intangible assets

Group and Company	Development costs £
Cost	
At 1 January 2016	9,815,919
Additions	901,834
At 31 December 2016	10,717,753
Amortisation	
At 1 January 2016	5,176,345
Charge for the year	762,598
At 31 December 2016	5,938,943
Carrying amount	
At 31 December 2016	4,778,810
At 31 December 2015	4,639,574

Development costs represent expenditure on individual projects which is carried forward when its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related products.

13. Tangible assets

Group

	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2016	–	1,034,632	217,658	1,252,290
Additions	55,131	11,442	6,003	72,576
Disposals	–	(103,818)	(6,029)	(109,847)
At 31 December 2016	55,131	942,256	217,632	1,215,019
Depreciation				
At 1 January 2016	–	790,377	128,540	918,917
Charge for the year	5,523	132,353	21,922	159,798
Disposals	–	(101,694)	(4,407)	(106,101)
At 31 December 2016	5,523	821,036	146,055	972,614
Carrying amount				
At 31 December 2016	49,608	121,220	71,577	242,405
At 31 December 2015	–	244,255	89,118	333,373

13. Tangible assets *(continued)*

Company

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2016	931,531	202,739	1,134,270
Additions	11,286	1,873	13,159
Disposals	(103,819)	(5,422)	(109,241)
At 31 December 2016	838,998	199,190	1,038,188
Depreciation			
At 1 January 2016	736,244	126,279	862,523
Charge for the year	116,886	18,995	135,881
Disposals	(101,693)	(3,203)	(104,896)
At 31 December 2016	751,437	142,071	893,508
Carrying amount			
At 31 December 2016	87,561	57,119	144,680
At 31 December 2015	195,287	76,460	271,747

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets in the Group and the Company are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Computer equipment £
At 31 December 2016	22,002
At 31 December 2015	74,171

14. Investments

Company	Shares in Group undertakings £
Cost	
At 1 January 2016	344,248
Additions	357,136
Disposals	(63,463)
At 31 December 2016	637,921
Impairment	
At 1 Jan 2016 and 31 Dec 2016	-
Carrying amount	
At 31 December 2016	637,921
At 31 December 2015	344,248

14. Investments *(continued)*

The Company owns 1 Ordinary share of £0.01 of GeoTeric Limited, a wholly owned subsidiary incorporated in England and Wales, which remained dormant throughout the year.

The Company owns 1,000 Common Stock of $1 in Foster Findlay Associates Incorporated, a wholly owned subsidiary, which was incorporated in the state of Texas, U.S.A and sells software licences and associated consultancy and services.

The Company owns 1 Ordinary share of £1 of Foster Findlay Associates (EBT) Limited, a wholly owned subsidiary which was incorporated in England and Wales. This Company acts as corporate trustee and holds funds on trust for the Foster Findlay Associates Employee Trust.

The Company owns 2,296,133 Ordinary shares of R$1 in Foster Findlay Associates Software E Servico Em Geociencia Limitada, a 99.99% subsidiary, which was incorporated in Rio de Janeiro, Brazil and sells software licences and associated consultancy and services. On 18 January 2016, the Company capitalised $529,113 of the amount due to it by the subsidiary, so that the investment increased by 2,132,226 shares.

The Company owns 120 ordinary shares of AUD$1 in Foster Findlay Associates Pty Ltd, a wholly owned subsidiary, which was incorporated in Western Australia and sells software licences and associated consultancy and services.

The Company owns 1,000,000 ordinary shares of RM1 in Foster Findlay Associates Sdn Bhd, a wholly owned subsidiary, which was incorporated in Malaysia and sells software licences and associated consultancy and services.

The Company owns 99 fixed shares of MXN10,000 and 33 variable shares of MXN10,000 in Foster Findlay Associates S.A de C.V, a 99% subsidiary, which was incorporated in Mexico and was dormant in the year. On 29 April 2016, the variable shares of Foster Findlay Associates S.A de C.V were reduced from 200 variable shares of MXN10,000 to 33 variable shares of MXN10,000 and the Company received £63,463 in respect of this.

The Company has reviewed the carrying value of the investments in Group undertakings and the recoverability of the amounts due from these Group undertakings included in debtors in note 15 to the financial statements. Operating costs have been reduced in these subsidiaries and trading is expected to continue to improve in line with market conditions during 2017. Although some uncertainty remains about these values, the Company is confident that the full value of the investments and the amounts due to it from the subsidiaries will be recovered.

Details of the subsidiary companies are shown below:

Aggregate capital and reserves

	2016 £	2015 £
GeoTeric Limited *(Dormant)*	1	1
Foster Findlay Associates Incorporated	(1,566,767)	(1,077,344)
Foster Findlay Associates (EBT) Limited	1	1
Foster Findlay Associates Software e Servico em Geociencia Limitada	(401,183)	(630,927)
Foster Findlay Associates Pty Limited	(360,669)	(221,462)
Foster Findlay Associates Sdn Bhd	(208,217)	(65,029)
Foster Findlay Associates S.A de C.V	15,331	102,713
(Loss)/profit for the year		
GeoTeric Limited (Dormant)	-	-
Foster Findlay Associates Incorporated	(234,324)	(248,447)
Foster Findlay Associates (EBT) Limited	-	-
Foster Findlay Associates Software e Servico em Geociencia Limitada	(7,727)	(423,055)
Foster Findlay Associates Pty Limited	(89,340)	(177,846)
Foster Findlay Associates Sdn Bhd	(130,662)	(119,452)
Foster Findlay Associates S.A de C.V	(23,150)	(12,672)

15. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	949,659	1,177,202	661,240	840,222
Amounts owed by Group undertakings	–	–	3,063,539	2,387,261
Prepayments and accrued income	476,290	468,735	238,280	258,321
Corporation tax repayable	396,462	151,491	370,319	109,166
Other debtors	5,166	7,582	2,024	2,420
	1,827,577	1,805,010	4,335,402	3,597,390

16. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	137,670	214,746	130,074	199,500
Accruals and deferred income	2,092,949	2,180,922	1,621,672	1,772,128
Social security and other taxes	66,389	89,448	59,701	84,909
VAT and sales tax recoverable	16,636	48,266	18,685	35,736
Obligations under finance lease agreements	18,012	49,975	18,012	49,975
	2,331,656	2,583,357	1,848,144	2,142,248

The above liabilities for finance lease agreements are secured over the assets to which they relate.

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Obligations under finance lease agreements	2,551	20,562	2,551	20,562

The above liabilities for finance lease agreements are secured over the assets to which they relate.

18. Share-based payments

The Company has a share option scheme for certain employees (including a Director). The options expire if unexercised after a period of 10 years from the date of grant. Options are forfeited if the employee leaves the Company before the options are exercised.

In the year ended 31 December 2016, options were granted to employees over "C" Ordinary shares as follows:

Date of grant	Number of options	Last exercise date	Price per share
31 March 2016	13,000	31 March 2026	£8.00
25 November 2016	1,621,000	25 November 2026	£0.01

Movements in employee share options over Foster Findlay Associates Limited Ordinary and "C" Ordinary shares were as follows:

	Ordinary No.	"C" Ordinary No.
Outstanding as at 1 January 2016	9,000	159,656
Granted during the year	–	1,634,000
Expired during the year	(8,000)	(12,500)
Surrendered during the year	(1,000)	(160,156)
Outstanding as at 31 December 2016	–	1,621,000
Weighted average exercise price per share		£0.01

The number of Directors who received share options under the Company's share option scheme during the year was one.

Financial Reporting Standard 102 requires the recognition of the share-based payments at fair value at the date of the grant to the extent that it is expected that the option will be exercised. The Directors have considered the fair value of the options using a Black-Scholes pricing model and have concluded that the charge for the year would not be material and has not been recognised.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	20,982	58,074	20,982	58,074
Later than 1 year and not later than 5 years	2,973	20,982	2,973	20,982
Later than 5 years	–	2,972	–	2,972
	23,955	82,028	23,955	82,028
Less: future finance charges	(3,392)	(11,491)	(3,392)	(11,491)
Present value of minimum lease payments	20,563	70,537	20,563	70,537

20. Employee benefits

Pension costs

The amount recognised in the profit or loss as an expense in relation to defined contribution plans was £265,838 (2015: £219,858).

21. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.01 each	277,658	2,777	277,658	2,777
"B" Ordinary shares of £1 each	10,056,514	10,056,514	579,799	579,799
	10,334,172	10,059,291	857,457	582,576

The respective share rights are as defined and described in the Articles of Association adopted by shareholder resolution on 15 November 2016.

On 21 April 2016, the Company allotted and issued 2,000,000 "B" Ordinary Shares of £1 each at par.

On the same date, the Company allotted and issued a further 7,476,715 "B" Ordinary Shares of £1 each at par, for nil consideration by transfer from the share premium account.

Movements in share options, other than those to employees disclosed in note 18, were as follows:

	'C' Ordinary No.
Outstanding as at 1 January 2016	57,277
Granted during the year	312,000
Surrendered during the year	(38,277)
Outstanding as at 31 December 2016	331,000
Weighted average exercise price per share	£0.47

22. Reserves

The share premium account reserve records the amount above the nominal value received for shares sold, less transaction costs.

The profit and loss account reserve records retained earnings and accumulated losses. The foreign currency translation reserve (included within the profit and loss account) records differences arising from the translation of financial statements of the Group's foreign subsidiaries into sterling.

The EBT reserve represents the investment in own shares of 7,286 ordinary shares of £0.01 each at a cost of £10 each, held by Foster Findlay Associates (EBT) Limited, but recognised in the accounts of Foster Findlay Associates Limited in order to comply with Financial Reporting Standard 102.

23. Cash inflow (outflow) from operations

	2016	2015
	£	£
Profit/(loss) for the financial year	245,399	(2,261,466)
Adjustments for:		
Depreciation of tangible assets	159,798	128,987
Loss on disposal of tangible assets	2,754	–
Amortisation of intangible assets	762,598	679,921
(Loss)/gain on foreign currency translation	(437,148)	117,950
Exchange gains on cash and cash equivalents	(62,123)	(2,786)
Other interest receivable and similar income	(6,557)	(7,806)
Interest payable and similar expenses	8,098	9,820
Tax on loss	(479,739)	(58,034)
Changes in:		
Trade and other debtors	232,465	618,598
Trade and other creditors	(219,737)	(148,408)
	205,808	(923,224)

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	277,914	222,842	207,805	200,004
Later than 1 year and not later than 5 years	578,187	475,590	404,729	361,049
Later than 5 years	156,951	160,392	–	–
	1,013,052	858,824	612,534	561,053

25. Contingent assets

The Company intends to make claims for research and development tax credits for the year ended 31 December 2016, which will result in income of approximately £225,000. This income is not provided in the accounts until the claims are actually made, in accordance with the accounting policy stated in note 3.

26. Related party transactions

Company

During the year, the Company traded under the same terms as those available to other non-related parties as follows. The Company traded with Farnham Associates, a business in which J Carney, a Director of Foster Findlay Associates Limited is a partner and with Redback AS, a Company of which J Grimnes, a Director of Foster Findlay Associates Limited is a partner.

	Transaction values		Balance at	
	31/12/16	31/12/15	31/12/16	31/12/15
	£	£	£	£
Farnham Associates	36,000	40,000	3,600	-
Redback AS	24,000	24,000	6,000	6,000

27. Controlling party

The ultimate Parent Company is Foster Findlay Associates Limited.