

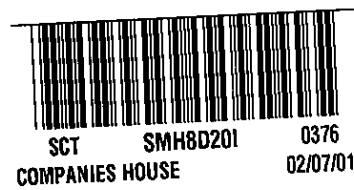
Registration Number 125513

Production Geoscience Limited

Abbreviated Accounts

for the period ended 31 December 2000

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**Auditor's Report to Production Geoscience Limited
under Section 247B of the Companies Act 1985**

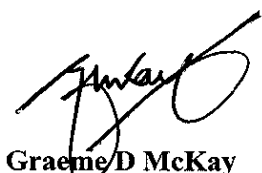
I have examined the abbreviated accounts set out on pages 5 to 12 together with the financial statements of Production Geoscience Limited for the period ended 31 December 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditor

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report my opinion to you.

Basis of opinion

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



**Graeme D McKay
Chartered Certified Accountant and
Registered Auditor**

**1 Queen's Gardens
Aberdeen**

22 June 2001

Production Geoscience Limited

**Abbreviated Balance Sheet
as at 31 December 2000**

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	2		30,700		53,725
Tangible assets	2		436,854		521,227
			<u>467,554</u>		<u>574,952</u>
Current Assets					
Debtors		857,258		1,059,850	
Cash at bank and in hand		47,640		331	
		<u>904,898</u>		<u>1,060,181</u>	
Creditors: amounts falling due within one year	3	<u>(831,294)</u>		<u>(1,049,250)</u>	
Net Current Assets			<u>73,604</u>		<u>10,931</u>
Total Assets Less Current Liabilities			<u>541,158</u>		<u>585,883</u>
Creditors: amounts falling due after more than one year	4		(208,955)		(249,611)
Net Assets			<u>332,203</u>		<u>336,272</u>
Capital and Reserves					
Called up share capital	5		13,750		13,750
Other reserves			11,250		11,250
Profit and loss account			307,203		311,272
Shareholders' Funds			<u>332,203</u>		<u>336,272</u>

The abbreviated accounts are 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 March 2000).

The abbreviated accounts were approved by the Board on 22 June 2001 and signed on its behalf by

N H Allen
Director



The notes on pages 3 to 5 form an integral part of these financial statements.

Production Geoscience Limited

Notes to the Abbreviated Financial Statements for the period ended 31 December 2000

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight Line over fifty years
Fixtures, fittings and equipment	-	25% Straight Line
Computer equipment	-	33% Straight Line
Software Leases	-	over the term of the lease

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Production Geoscience Limited

**Notes to the Abbreviated Financial Statements
for the period ended 31 December 2000**

..... continued

2. Fixed assets

	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1 October 1999	55,276	1,029,708	1,084,984
Additions	-	59,999	59,999
Disposals	-	(510,153)	(510,153)
At 31 December 2000	<u>55,276</u>	<u>579,554</u>	<u>634,830</u>
Depreciation and Provision for diminution in value			
At 1 October 1999	1,551	508,481	510,032
On disposals	-	(510,153)	(510,153)
Charge for period	23,025	144,372	167,397
At 31 December 2000	<u>24,576</u>	<u>142,700</u>	<u>167,276</u>
Net book values			
At 31 December 2000	30,700	436,854	467,554
At 30 September 1999	<u>53,725</u>	<u>521,227</u>	<u>574,952</u>

**3. Creditors: amounts falling due
within one year**

**2000
£ 1999
£**

Creditors include the following:

Secured creditors	52,514	203,136
	<u>52,514</u>	<u>203,136</u>

**4. Creditors: amounts falling due
after more than one year**

**2000
£ 1999
£**

Include the following:

Instalments repayable after more than five years	92,712	132,400
Secured creditors	<u>208,955</u>	<u>294,675</u>

Production Geoscience Limited

**Notes to the Abbreviated Financial Statements
for the period ended 31 December 2000**

..... continued

5. Share capital	2000	1999
	£	£
Authorised		
25,000 Ordinary shares of £1 each	25,000	25,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
13,750 Ordinary shares of £1 each	13,750	13,750
	<u> </u>	<u> </u>
6. Related party transactions		

These financial statements include royalties payable to F C Whitehead , a director of the company amounting £9,748.