ERCL Limited
Annual Report and Financial Statements For the 17 month period ended 31 December 2017

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Company Number: 08743541

Company Information

Parent Company	Getech Group plc
Directors	A Darbyshire W H Edwards R J Heath
Company Secretary	A Darbyshire
Registered Number	08743541
Registered Office	Dragon Court 15 Station Road Henley-on-Thames RG9 1AT
Auditors	Grant Thornton UK LLP No. 1 Whitehall Riverside Leeds LS1 4BN
Bankers	NatWest Bank plc PO Box 183 8 Park Row Leeds LS1 1QT

Directors' report

The Directors present their report and financial statements for the 17 month period ended 31 December 2017.

Principal activities
ERCL Limited specialises in upstream oil and gas consultancy.

Results and dividends
The results for the period are set out on page 7.

The Directors paid a dividend of £nil during the period (2016: £800,000).

Directors
The following Directors have held office since 1 August 2016:

A Darbyshire
W H Edwards
R J Heath
P J Markwick *(resigned 31 January 2017)*

Statement of Directors' responsibilities
The Directors are responsible for preparing the 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 period. Under that law, the Directors have prepared 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 and 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 judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed in the financial statements, subject to any material departures disclosed and explained in the financial statements.

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.

Statement of disclosure to auditors
The Directors of the company who held office on the date of approval of this annual report confirm that:

- as far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors
Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP, are deemed to be reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Directors' report

Small company exemptions
The company has taken the exemption conferred by S415(A) of the Companies Act 2006 permitting it to prepare a directors' report in accordance with the small companies regime on the grounds that it would qualify as small but for being a member of an ineligible group.

The company has further taken the exemption conferred by S414B of the Companies Act 2006 to not prepare a Strategic Report on the same grounds.

The report was approved by the Board on 27 February 2018 and signed on their behalf.

A Darbyshire
Company Secretary

Independent Auditor's Report
To the member of ERCL Limited

Opinion
We have audited the financial statements of ERCL Limited (the 'company') for the period ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101; Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the period 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to
This report is made solely to the company's members, 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.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements set out on pages 2 to 3, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)
To the member of ERCL Limited

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

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Victoria McLoughlin BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 27 February 2018

Statement of Comprehensive Income

For the period ended 31 December 2017

	Note	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Revenue	3	1,920	2,152
Cost of sales		(1,289)	(1,181)
Exceptional inventory impairments		(461)	-
Gross profit		170	971
Administrative costs		(794)	(502)
Operating (loss)/profit	4	(624)	469
(Loss)/profit before tax		(624)	469
Income tax credit	6	145	120
Total comprehensive income for the period		(479)	589

The statement of comprehensive income has been prepared on the basis that all operations are continuing.

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2017

Company registration number: 08743541

	Note	31 December 2017 £'000	31 July 2016 £'000
Assets			
Non-current assets			
Property, plant and equipment	8	**11**	22
Deferred tax assets	6	**43**	-
		54	22
Current assets			
Corporation tax asset		**132**	-
Inventories	9	**273**	582
Trade and other receivables	10	**469**	1,008
Cash and cash equivalents		**267**	220
		1,141	1,810
Total assets		**1,195**	1,832
Liabilities			
Current liabilities			
Trade and other payables	11	**77**	231
		77	231
Non-current liabilities			
Deferred tax liabilities	6	**-**	4
		-	4
Total liabilities		**77**	235
Net assets		**1,118**	1,597
Equity			
Equity attributable to owners of the Parent			
Share capital	0	**10**	10
Retained earnings		**1,108**	1,587
Total equity		**1,118**	1,597

The financial statements on pages 6 to 20 were approved and authorised for issue by the Board of Directors on 27 February 2018.

A Darbyshire

Director

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

Statement of Changes in Equity

For the period ended 31 December 2017

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 August 2015	10	1,798	1,808
Dividends	-	(800)	(800)
Total transactions with owners	-	(800)	(800)
Total comprehensive income for the year	-	589	589
At 31 July 2016	10	1,587	1,597
Dividends	-	-	-
Total transactions with owners	-	-	-
Total comprehensive income for the period	-	(479)	(479)
At 31 December 2017	10	1,108	1,118

The accompanying notes on pages 9 to 20 form an integral part of these financial statements.

Notes to the Financial Statements

1. Company information

The financial statements of ERCL Limited (the "Company") for the period ended 31 December 2017 were approved by the board and authorised for issue on 27 February 2018 and the Statement of Financial Position was signed on the Board's behalf by A Darbyshire.

ERCL Limited specialises in upstream oil and gas consultancy.

ERCL Limited is incorporated and domiciled in England and Wales and its registered office address is Dragon Court, 15 Station Road, Henley-on-Thames, RG9 1AT.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The principal accounting policies adopted by the Company, judgements and key areas of estimation uncertainty are set out in Note 2.16.

2. Accounting Policies

2.1. Statement of compliance

These financial statements have been prepared on a historical cost basis, in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 - 'The Reduced Disclosure Framework' ("FRS 101"). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated.

2.2. Disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- a statement of cash flows and related notes
- the requirement to produce a statement of financial position at the beginning of the earliest comparative period
- the requirements of IAS 24 related party disclosures to disclose related party transactions entered into between two or more members of the group as they are wholly owned by the group
- presentation of comparative reconciliations for property, plant and equipment
- disclosure of key management personnel compensation
- capital management disclosures
- presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- the effect of future accounting standards not adopted
- disclosures in relation to impairment of assets
- disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)
- fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value)

2.3. *Going concern*

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

2.4. *Parent Company*

The Company is a wholly owned subsidiary of Getech Group plc which prepares publicly available consolidated financial statements in accordance with IFRS as adopted by the EU. This Company is included in the consolidated financial statements of Getech Group plc for the period ended 31 December 2017. These accounts are available from its registered office at Kitson House, Elmete Hall, Elmete Lane, Leeds LS8 2LJ.

2.5. *Tangible assets*

Property, Plant and Equipment ("PPE") is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

Depreciation is recognised on a straight line basis for fixtures and fittings and computer equipment over their useful lives, which is deemed to be three years. Material residual value estimates and useful economic lives are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

The carrying values of PPE are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount.

2.6. *Financial assets*

Financial assets are assigned to different categories by management on initial recognition, depending on the purpose for which they were acquired. All financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets comprise the following:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables, cash and cash equivalents, and other financial assets are classified as loans and receivables. Loans and receivables are measured initially at fair value plus transaction costs, and subsequently at amortised cost using the effective interest rate method less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in profit or loss.

Provision against trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due under the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying value and the present value of estimated future cash flows.

2.7. *Inventories*

Amounts included in work in progress are stated at cost, including absorption of relevant overheads, after provision has been made for any foreseeable losses and the deduction of any applicable payments on account.

2.8. *Cash and cash equivalents*

Cash comprises cash on hand and demand deposits which are presented as cash at bank and in hand in the statement of financial position.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

2.9. *Financial liabilities*

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value and all transaction costs are recognised immediately in profit or loss. All other financial liabilities are recorded initially at fair value, net of direct issue costs.

Financial liabilities categorised as at fair value through profit or loss are re-measured at each reporting date at fair value, with changes in fair value being recognised in profit or loss. All other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in profit or loss. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial liabilities are categorised as at fair value through profit or loss where they are designated as at fair value through profit or loss on initial recognition. Deferred consideration on acquisitions of assets, which is contingent on subsequent sales of such assets, is treated as financial liability at fair value through profit or loss, and the value is allocated between current and non-current liabilities in accordance with best estimates of the timing and amounts expected to fall due.

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

2.10. *Equity, reserves and dividend payments*

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity. Transaction costs on the issue of shares are deducted from the share premium account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

Interim dividends are recognised when they are paid. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

2.11. Revenue recognition

Turnover comprises amounts arising from the provision of goods and services falling within an entity's ordinary activities. It is measured at the fair value of the consideration received or receivable, excluding sales taxes, and reduced by any rebates and trade discounts allowed.

The Company often enters into sales transactions involving a range of the Company's products and services, for example for the delivery of multi-client studies and consultancy services.

The Company applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction. The consideration received from these multiple-component transactions is allocated to each separately identifiable component in proportion to its relative fair value.

For sales of data and completed project studies, revenue is recognised when the transfer of risk and reward is made to the customer, on dispatch unless otherwise agreed.

Consultancy fees are recognised as revenue in the accounting period in which the revenue becomes receivable.

2.12. Foreign currency translation and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items, measured at fair value, which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

2.13. Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period, that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation. Deferred tax liabilities are not discounted.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not discounted.

2.14. Post-employment benefits and short-term employee benefits

Short-term employee benefits

Short term employee benefits including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Company would expect to pay as in the event of unused entitlement.

Post-employment benefit plans

Contributions to defined contribution pension schemes are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset. Unpaid contributions are reflected as a liability.

2.15. Lease contracts

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

2.16. Key judgements and uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Deferred taxation

Management judgement is required in determining provisions for deferred tax liabilities and assets. The process involves estimating the actual current tax exposure together with assessing temporary differences resulting from the different valuation of certain assets and liabilities in the financial statements and the tax returns. Management must assess the probability that the deferred tax assets will be recovered from future taxable income.

Inventories

The company undertakes geological reports both for its own customers and to generate a portfolio of internal knowledge, which can be sold to third parties. Direct costs incurred on developing the internal knowledge are recognised within inventories, and written off at a suitable percentage for each sale made to a third party, based on management's expectations of the number of times that each report can be sold before the data becomes devalued. The directors further review the carrying value of inventories as at the period end for the purposes of considering impairments in light of the future marketability of each report. This has resulted in an impairment of inventories as disclosed in note 9.

2.17. Reporting period

The current period covers 17 months, which has been enacted to align the company's accounts with those of its parent company, Getech Group Plc. The comparative period was a calendar year.

3. Revenue

Revenue, analysed geographically between markets, was as follows:

	17 month period ended 31 December 2017 Revenue £'000	Year ended 31 July 2016 Revenue £'000
North America	**34**	2
United Kingdom	**442**	677
Africa	**585**	973
Rest of Europe	**25**	14
Asia	**834**	464
South and Central America	**-**	22
	1,920	2,152

4. Operating (loss)/profit

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

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Cost of inventories recognised as an expense	**20**	63
Impairment of inventories	**461**	37
Depreciation of property, plant and equipment	**14**	14
R&D tax credits shown within administrative expenses	**(26)**	-
Remuneration receivable by the Group's auditor for audit services:		
– the auditing of the accounts	**5**	5
Operating leases:		
– rental costs of land and building	**144**	102
Foreign exchange movement	**(18)**	(110)

5. Directors and employees

The employee benefit expenses, including directors, during the period were as follows:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Wages and salaries	1,357	1,191
Social security costs	156	137
Pension costs	41	31
	1,554	1,359

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

	17 month period ended 31 December 2017 Number	Year ended 31 July 2016 Number
Administration	2	3
Technical	15	23
	17	26

Directors' remuneration comprised the following:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Directors' emoluments	317	224
Pension costs	5	3
	322	227

During the period, one director (2016: one) had benefits accruing under money purchase pension schemes.

The highest paid director during the period received total remuneration of £197,000 (2016 - £148,000).

6. Income tax

The income tax charge comprises:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Current income tax		
Current period	**(101)**	5
Foreign taxation	**34**	-
Prior year	**(30)**	(124)
Total current tax	**(97)**	(119)
Deferred tax		
Current period	**(54)**	(1)
Change in future tax rates	**6**	-
Total deferred tax	**(48)**	(1)
Tax (credit) on profit	**(145)**	(120)

Factors affecting the tax charge for the period:

The tax credit for the period can be reconciled to profit per the statement of comprehensive income at the standard rate of corporation tax in the UK of 19.47% (2016: 20%) as follows:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
(Loss)/profit from ordinary activities before tax	**(624)**	477
Tax at UK corporation tax rate of 19.47% (2016: 20%)	**(121)**	95
Effects of:		
Disallowed expenditure	**-**	1
Additional deduction for research and development	**(77)**	(49)
Surrender of tax losses for R&D tax credit refund	**34**	-
Income not taxable	**(19)**	(19)
Group relief given / (claimed)	**23**	(23)
Adjustment to tax charge in respect of prior years	**(30)**	(124)
Foreign tax credits	**35**	-
R&D expenditure credits	**7**	-
Effect of change in future tax rates	**3**	-
Total tax credit reported in the statement of comprehensive income	**(145)**	(119)

6. Income tax (continued)

Deferred taxation

The net movement on the deferred tax asset/(liability) accounts is as follows:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Deferred tax assets/(liabilities)		
Balance brought forward	**(4)**	(5)
Charged in respect of timing differences	**53**	1
Charged in respect of changes in future tax rates	**(6)**	-
Balance carried forward	**43**	(4)

The deferred taxation recognised in the financial statements at 17% (2016: 18%) is set out below:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Accelerated capital allowances	**(2)**	(4)
Tax losses	**45**	-
Net deferred tax asset / (liability)	**43**	(4)

7. Dividends

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Paid during the period		
Dividends on ordinary shares at £nil per share (2016: £80 per share)	-	800
	-	800

8. Property, plant and equipment

The carrying amounts of property, plant and equipment for the period presented in the financial statements are reconciled as follows:

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 August 2016	33	23	56
Additions	-	3	3
At 31 December 2017	33	26	59
Depreciation			
At 1 August 2016	14	20	34
Charge for the period	13	1	14
At 31 December 2017	27	21	48
Carrying amount			
At 31 December 2017	**6**	**5**	**11**
At 1 August 2016	19	3	22

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

9. Inventories

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Work in progress	**273**	582

There is a charge included in profit or loss for the period of £461,000 (2016: £37,000) as an expense arising from an impairment review of inventories.

Notes to the Financial Statements

10. Trade and other receivables

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Trade receivables	**126**	537
Amounts owed by group undertakings	**302**	404
Other receivables	**24**	27
Prepayments and accrued income	**17**	40
	469	1,008

All amounts are short term. The carrying amounts of trade and other receivables are considered to be reasonable approximations to fair value.

All of the Company's trade and other receivables have been reviewed for indicators of impairment, there is a provision for doubtful debts of £228,000 (2016: £126,000). Some of the unimpaired trade receivables are past due as at the reporting date. The age of financial assets past due but not impaired is as follows:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Not more than three months	**62**	198
More than three months but not more than six months	**—**	163
More than six months but not more than one year	**—**	—
	62	361

11. Trade and other payables

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Current liabilities		
Trade payables	**21**	115
Amounts owed to group undertakings	**7**	-
Social security and other taxes	**38**	83
Other payables	**3**	6
Accruals and deferred income	**8**	27
	77	231

The carrying amounts of trade and other payables are considered to be reasonable approximations to fair value.

12. Share capital

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Authorised		
10,000 Ordinary Shares of £1 each (2016: 10,000)	**10**	10
Issued, called up and fully paid		
10,000 Ordinary Shares of £1 each (2016: 10,000)	**10**	10

13. Reserves

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses, net of distributions made.

14. Financial commitments

As at 31 December 2017, the Company had outstanding commitments for future lease payments under non-cancellable operating leases which fall due as follows:

	17 month period ended 31 December 2017 £'000	Year ended 31 July 2016 £'000
Land and buildings		
In one to two years	**54**	65

15. Related party transactions

As permitted by FRS 101, the Company has not disclosed transactions with Group undertakings.

16. Ultimate controlling party

The immediate and ultimate parent company is Getech Group plc, which is the smallest and the largest group in which the Company's accounts are consolidated, and whose registered office is Kitson House, Elmete Hall, Elmete Lane, Leeds, LS8 2LJ.

Getech Group plc is the ultimate controlling party, the Directors consider there to be no ultimate controlling party of Getech Group plc.