

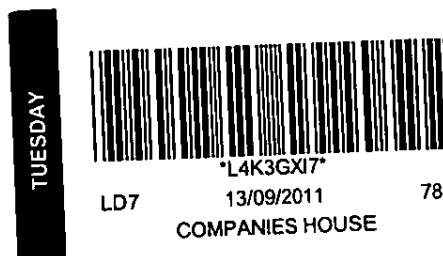
Registered number: 2571389

RE-SCAN

GeoAcoustics Limited

Annual report and Financial Statements

For the year ended 31 December 2010



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GeoAcoustics Limited

Company Information

Directors	R A Klepaker A Olsen N Rrahı K H Pedersen
Company secretary	S Ives
Company number	2571389
Registered office	Shuttleworth Close Gapton Hall Industrial Estate Great Yarmouth Norfolk NR31 0NQ
Auditors	Ernst & Young LLP Compass House 80 Newmarket Road Cambridge CB5 8DZ

GeoAcoustics Limited

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GeoAcoustics Limited

Directors' report For the year ended 31 December 2010

Registered number 2571389

The directors present their annual report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activities of the company continued to be that of the manufacture and supply of seabed survey equipment

Business review

The year ended 31 December 2010 was generally characterised as a "turnaround" year despite making a loss. The recession of 2009 did significantly impact turnover in the survey market, and this was common in the industry. However by the middle of 2010 there were strong signs of recovery, with the final quarter achieving record turnover levels that are continuing into 2011. This is also reflected in increased oil prices (accepted as a survey market indicator) which have risen to \$100/barrel levels again. At the end of the first half of 2011 we were again profitable. We are looking ahead to cautious growth and expansion of the production force to match the required high turnover levels anticipated for 2011/2012.

The launch of the new digital products, after delays, has resulted in extra sales which to an extent have countered the falling income levels from the equivalent older analogue products, allowing trends in turnover to be maintained. We anticipate some degree of market penetration with the new products which will at least maintain income stream from the overall side scan and profiler products, though with late entry this is a challenge for our sales team.

Sales of GeoSwath recovered and increased to such an extent in the last quarter of 2010 that we effectively achieved planned 2010 turnover for this product, but the significant upwards trend compared to plan has continued in 2011, meaning that sales on this product are significantly ahead of the 2011 budget plan as of July 2011.

Some of this increase is due to sales of GeoSwaths fitted to Autonomous Underwater Vehicles (which involved significant R&D investment), but much is due to the demand for "compact" style systems with new transducers and waterproof enclosures.

Integration of the India office with Kongsberg India was finally completed in 2010, but this complex process took a toll with regard to GeoAcoustics sales in India, which dwindled to almost zero in 2010. The 2010 budget originally anticipated around £500k sales for our India office. This is complicated politically as the Kongsberg India agent is also an agent for one of GeoAcoustics main competitors for side scan and profilers. As our regional head in India is now head of sales for the whole Kongsberg India office we hope for a recovery of the previous good upwards pre-merge trend in sales in this region.

We have also managed to control overall costs such as overtime costs and sales expense costs, both of which reduced in absolute (by more than 10%) and relative (to volume of sales and volume of production) terms.

Looking ahead to 2011, 2012, and 2013, we now have significant orders mainly due to our Kongsberg links with new vessel build projects. This extension of the order book "horizon" is a new and positive situation for GeoAcoustics.

Results

The loss for the year, after taxation, amounted to £260,167 (2009 - loss £114,929)

GeoAcoustics Limited

**Directors' report
For the year ended 31 December 2010**

Directors

The directors who served during the year were

R A Klepaker
A Olsen
N Riah
K H Pedersen

Going concern

On the basis of the directors' assessment of the financial position of the company they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and will be able to meet its obligations as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Qualifying third party indemnity provisions

The company has taken out insurance to indemnify, against third party proceedings, the directors of the company whilst serving on the board of the company and of any subsidiary. This cover, together with that taken out by certain subsidiaries, where relevant, indemnifies all employees of the group who serve on the boards of all subsidiaries. These indemnity policies subsisted throughout the year and remain in place at the date of this report.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

GeoAcoustics Limited

Directors' report
For the year ended 31 December 2010

Auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 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

This report was approved by the board on ~~18 AUGUST~~ and signed on its behalf
2011



S Ives
Secretary

GeoAcoustics Limited

**Statement of directors' responsibilities
For the year ended 31 December 2010**

The directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

GeoAcoustics Limited

Independent Auditors' report to the members of GeoAcoustics Limited

We have audited the financial statements of GeoAcoustics Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

GeoAcoustics Limited

Independent Auditors' report to the members of GeoAcoustics Limited

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss 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

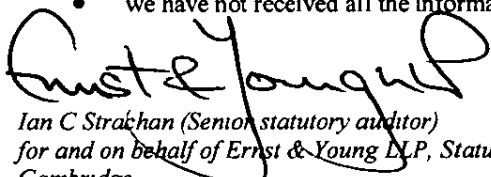
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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, 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


*Ian C Strachan (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge*

Date *9 September 2011*

GeoAcoustics Limited

**Profit and loss account
For the year ended 31 December 2010**

	<i>Note</i>	<i>2010</i> £	<i>2009</i> £
Turnover	1,2	4,115,680	3,688,085
Cost of sales		<u>(2,389,808)</u>	<u>(1,999,967)</u>
Gross profit		1,725,872	1,688,118
Distribution costs		(550,459)	(561,486)
Administrative expenses		(1,549,196)	(1,310,890)
Other operating income	3	<u>6,921</u>	<u>6,780</u>
Operating loss	4	(366,862)	(177,478)
Interest receivable and similar income		1	17,637
Interest payable and similar charges	7	<u>(9,478)</u>	<u>(17,933)</u>
Loss on ordinary activities before taxation		(376,339)	(177,774)
Tax on loss on ordinary activities	8	<u>116,172</u>	<u>62,845</u>
Loss for the financial year	19	<u>(260,167)</u>	<u>(114,929)</u>

All amounts relate to continuing operations

The notes on pages 9 to 22 form part of these financial statements

GeoAcoustics Limited

Statement of total recognised gains and losses
For the year ended 31 December 2010

	2010 £	2009 £
Loss for the financial year	(260,167)	(114,929)
Exchange difference on retranslation of net assets of branch	<u>(2,020)</u>	<u>1,070</u>
Total recognised gains and losses relating to the year	<u>(262,187)</u>	<u>(113,859)</u>

Note of historical cost profits and losses
For the year ended 31 December 2010

	2010 £	2009 £
Reported loss on ordinary activities before taxation	(376,339)	(177,774)
Realisation of valuation gains of previous periods	(13,855)	(1,185)
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>53,911</u>	<u>7,195</u>
Historical cost loss on ordinary activities before taxation	<u>(336,283)</u>	<u>(171,764)</u>
Historical loss for the year after taxation	<u>(220,111)</u>	<u>(108,919)</u>

The notes on pages 9 to 22 form part of these financial statements

GeoAcoustics Limited
Registered number 2571389

Balance sheet
as at 31 December 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	9		1,463,564		1,848,623
Tangible assets	10		1,339,125		1,387,944
Investments	11		<u>40,250</u>		<u>40,250</u>
			2,842,939		3,276,817
Current assets					
Stocks	12	1,170,819		969,694	
Debtors	13	1,033,379		324,568	
Cash at bank and in hand		<u>122,395</u>		<u>175,912</u>	
		2,326,593		1,470,174	
Creditors' amounts falling due within one year	14	<u>(1,722,455)</u>		<u>(972,554)</u>	
Net current assets			<u>604,138</u>		<u>497,620</u>
Total assets less current liabilities			3,447,077		3,774,437
Creditors: amounts falling due after more than one year	15		(294,694)		(342,865)
Provisions for liabilities					
Other provisions	17		<u>(85,478)</u>		<u>(102,480)</u>
Net assets			<u>3,066,905</u>		<u>3,329,092</u>
Capital and reserves					
Called up share capital	18		730		730
Revaluation reserve	19		926,588		966,644
Capital redemption reserve	19		300		300
Profit and loss account	19		<u>2,139,287</u>		<u>2,361,418</u>
Shareholders' funds	20		<u>3,066,905</u>		<u>3,329,092</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 AUGUST 2011

R A Klepaker
 Director

Rafael Klepaker

N Rishi
 Director

N. Rishi

The notes on pages 10 to 24 form part of these financial statements

Notes to the financial statements
For the year ended 31 December 2010

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and leasehold property and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

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

1.4 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

1.5 Tangible fixed assets and depreciation

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

Freehold buildings	-	fifty years
Plant & machinery	-	five years
Motor vehicles	-	four years
Furniture, fixtures & equipment	-	five years

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

Notes to the financial statements
For the year ended 31 December 2010

1. Accounting policies (continued)

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Foreign currencies

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

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

Exchange gains and losses are recognised in the Profit and loss account.

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

1 Accounting policies (continued)**1.13 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.14 Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer, usually on dispatch of the goods

2. Turnover

A geographical analysis of turnover is as follows

	<i>2010</i>	<i>2009</i>
	£	£
United Kingdom	911,025	760,603
Rest of Europe	943,032	838,358
USA and Canada	245,190	242,298
Middle East	364,458	-
Asia	1,155,498	1,528,378
Africa and India	204,794	-
Rest of world	291,683	318,448
	<u>4,115,680</u>	<u>3,688,085</u>

3. Other operating income

	<i>2010</i>	<i>2009</i>
	£	£
Other operating income	15	75
Net rents receivable	6,906	6,705
	<u>6,921</u>	<u>6,780</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

4. Operating loss

The operating loss is stated after charging/(crediting)

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Amortisation of intellectual property	101,682	101,682
Depreciation of tangible fixed assets		
- owned by the company	115,105	72,364
- held under finance leases	21,342	28,854
Operating lease rentals		
- other operating leases	4,427	10,553
Difference on foreign exchange	(15,266)	66,138
Amortisation of deferred research and development expenditure	353,559	313,032
Research and development expenditure	346,674	221,281
Loss/(profit) on disposal of fixed assets	<u>440</u>	<u>(2,563)</u>

During the year, no director received any emoluments from the company (2009 - £NIL). Other group companies paid emoluments amounting to £8,000 to the directors of the company in respect of qualifying services

5 Auditors' remuneration

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>11,000</u>	<u>15,000</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

6. Staff costs

Staff costs were as follows

	<i>2010</i>	<i>2009</i>
	£	£
Wages and salaries	1,246,114	1,212,937
Social security costs	113,135	107,272
Other pension costs	39,797	37,885
	<u>1,399,046</u>	<u>1,358,094</u>

The average monthly number of employees, including the directors, during the year was as follows

	<i>2010</i>	<i>2009</i>
	<i>No</i>	<i>No</i>
Production	11	10
Engineering	11	10
Marketing and sales	12	6
Management and administration	8	11
	<u>42</u>	<u>37</u>

7. Interest payable

	<i>2010</i>	<i>2009</i>
	£	£
On bank loans and overdrafts	4,847	8,210
On other loans	1	56
On finance leases and hire purchase contracts	1,426	5,050
On loans from group undertakings	3,204	4,617
	<u>9,478</u>	<u>17,933</u>

GeoAcoustics Limited

Notes to the financial statements
For the year ended 31 December 2010

8. Taxation

	2010 £	2009 £
Analysis of tax credit in the year		
Current tax (see note below)		
Adjustments in respect of prior periods	(43,451)	(9,632)
	(43,451)	(9,632)
Foreign tax on income for the year	724	-
Total current tax	(42,727)	(9,632)
Deferred tax		
Origination and reversal of timing differences	(102,341)	17,712
Tax losses utilised	28,896	(70,925)
Total deferred tax (see note 16)	(73,445)	(53,213)
Tax on loss on ordinary activities	(116,172)	(62,845)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Loss on ordinary activities before tax	(376,339)	(177,774)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(105,375)	(49,777)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,435	2,800
Depreciation in excess of capital allowances	24,391	14,250
Tax losses carried forward	26,964	40,860
Foreign tax payable	724	-
Adjustments to tax charge in respect of prior periods	(43,451)	(9,632)
Uplift of allowance for research and development	44,510	(52,653)
Group relief for no consideration	-	38,920
Short term timing differences	5,075	5,600
Current tax credit for the year (see note above)	(42,727)	(9,632)

**Notes to the financial statements
For the year ended 31 December 2010**

Factors that may affect future tax charges

The Chancellor announced in the budget on 23 March 2011 that the standard rate of UK Corporation Tax will be reduced from 28% to 26% from 1 April 2011, and there will be progressive annual reductions of a further 1% until a rate of 23% is reached with effect from 1 April 2014. The Finance Act (No 2) 2010 which received Royal Assent on 27 July 2010, substantively enacted a rate reduction of 1% to 27% with effect from 1 April 2011. However, the rate reduction from 27% to 26% was not substantively enacted until 29 March 2011 and therefore the effect of this reduction will be included in the accounts to 31 December 2011.

The Chancellor also announced changes to the Capital Allowances regime in the emergency budget on 22 June 2010. The rate of writing down allowances on expenditure on plant and machinery allocated to the main pool will be reduced from 20% to 18%, and the writing down allowances on expenditure allocated to the special rate pool (ie long-life assets and integral features) will be reduced from 10% to 8%. These will have effect from 1 April 2012. In addition, the maximum amount of the annual investment allowance (which provides 100% relief in the year of spend) will be reduced from £100,000 to £25,000 also from 1 April 2012.

Those proposed changes that have not been substantively enacted are not reflected in the company's financial statements as at 31 December 2010.

The effect of the reduction in the tax rate to 23% on the company's deferred tax asset would be to reduce the deferred tax asset by £13,843 to £79,602. The rate change will also impact the amount of the future cash tax payments to be made by the company.

The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements for the year ending 31 December 2011.

9. Intangible fixed assets

	<i>Patents and trademarks</i> £	<i>Research and development</i> £	<i>Intellectual property</i> £	<i>Total</i> £
Cost				
At 1 January 2010	30,327	4,735,608	508,411	5,274,346
Additions	-	70,182	-	70,182
At 31 December 2010	30,327	4,805,790	508,411	5,344,528
Amortisation				
At 1 January 2010	30,326	3,210,620	184,777	3,425,723
Charge for the year	-	353,559	101,682	455,241
At 31 December 2010	30,326	3,564,179	286,459	3,880,964
Net book value				
At 31 December 2010	<u>1</u>	<u>1,241,611</u>	<u>221,952</u>	<u>1,463,564</u>
At 31 December 2009	<u>1</u>	<u>1,524,988</u>	<u>323,634</u>	<u>1,848,623</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

10. Tangible fixed assets

	<i>Land and buildings</i> £	<i>Plant & machinery</i> £	<i>Motor vehicles</i> £	<i>Furniture, fittings & equipment</i> £
Cost or valuation				
At 1 January 2010	1,200,000	777,364	89,856	122,137
Additions	-	90,245	(2,103)	7,430
Disposals	-	(9,400)	-	(17,446)
Foreign exchange movement	-	-	1,987	1,700
At 31 December 2010	<u>1,200,000</u>	<u>858,209</u>	<u>89,740</u>	<u>113,821</u>
Depreciation				
At 1 January 2010	15,942	627,666	46,190	111,615
Charge for the year	58,411	55,856	17,513	4,667
On disposals	-	(2,506)	-	(15,149)
Foreign exchange movement	-	-	921	1,519
At 31 December 2010	<u>74,353</u>	<u>681,016</u>	<u>64,624</u>	<u>102,652</u>
Net book value				
At 31 December 2010	<u>1,125,647</u>	<u>177,193</u>	<u>25,116</u>	<u>11,169</u>
At 31 December 2009	<u>1,184,058</u>	<u>149,698</u>	<u>43,666</u>	<u>10,522</u>
<i>Total</i> £				
Cost or valuation				
At 1 January 2010				2,189,357
Additions				95,572
Disposals				(26,846)
Foreign exchange movement				3,687
At 31 December 2010				<u>2,261,770</u>
Depreciation				
At 1 January 2010				801,413
Charge for the year				136,447
On disposals				(17,655)
Foreign exchange movement				2,440
At 31 December 2010				<u>922,645</u>
Net book value				
At 31 December 2010				<u>1,339,125</u>
At 31 December 2009				<u>1,387,944</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

10. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows

	2010 £	2009 £
Plant and machinery	-	7,272
Motor vehicles	-	18,294
	<hr/>	<hr/>
	-	25,566

Cost or valuation at 31 December 2010 is as follows

	<i>Land and buildings</i> £
At cost	-
At valuation:	
18 April 2008 at market value	<hr/> 1,200,000
	<hr/> <u>1,200,000</u>

The land and buildings were revalued on 18 April 2008 by Arnolds Chartered Surveyors on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2010 £	2009 £
Cost	283,060	283,060
Accumulated depreciation	(88,500)	(84,000)
	<hr/>	<hr/>
Net book value	<u>194,560</u>	<u>199,060</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

11 Fixed asset investments

	<i>Investments in subsidiary companies £</i>
Cost or valuation	
At 1 January 2010 and 31 December 2010	<u>40,250</u>
Net book value	
At 31 December 2010	<u>40,250</u>
At 31 December 2009	<u>40,250</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

<i>Name</i>	<i>Class of shares</i>	<i> Holding</i>
GeoAcoustics Inc (registered in USA)	Ordinary shares	100%
GeoAcoustics Asia Pacific Pte Limited (registered in Singapore)	Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 December 2010 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

<i>Name</i>	<i>Aggregate of share capital and reserves £</i>	<i>Profit £</i>
GeoAcoustics Inc (registered in USA)	(250,342)	629
GeoAcoustics Asia Pacific Pte Limited (registered in Singapore)	<u>883,736</u>	<u>24,226</u>

12. Stocks

	<i>2010 £</i>	<i>2009 £</i>
Raw materials	132,946	96,604
Work in progress	1,037,873	873,090
	<u>1,170,819</u>	<u>969,694</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

13. Debtors

	<i>2010</i>	<i>2009</i>
	£	£
Trade debtors	630,539	133,888
Amounts owed by group undertakings	172,174	97,722
Corporation tax recoverable	731	-
Other debtors	95,803	49,415
Prepayments and accrued income	38,887	21,779
Tax recoverable	1,800	1,800
Deferred tax asset (see note 16)	93,445	19,964
	<hr/>	<hr/>
	<u>1,033,379</u>	<u>324,568</u>

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

	<i>2010</i>	<i>2009</i>
	£	£
Bank loans and overdrafts	293,654	105,224
Payments received on account	483,447	16,138
Net obligations under finance leases and hire purchase contracts	-	18,059
Trade creditors	309,559	223,782
Amounts owed to group undertakings	506,393	488,796
Corporation tax	731	-
Social security and other taxes	29,827	34,426
Other creditors	6,412	6,425
Accruals and deferred income	92,432	79,704
	<hr/>	<hr/>
	<u>1,722,455</u>	<u>972,554</u>

Bank loans and overdrafts are secured by charges over the assets of the company including its freehold property

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

**15 Creditors:
Amounts falling due after more than one year**

	<i>2010</i>	<i>2009</i>
	£	£
Bank loans	44,423	91,465
Amounts owed to group undertakings	250,271	251,400
	<u>294,694</u>	<u>342,865</u>

Included within the above are amounts falling due as follows

	<i>2010</i>	<i>2009</i>
	£	£
<i>Between two and five years</i>		
Bank loans	<u>44,423</u>	<u>91,465</u>

16. Deferred tax asset

	<i>2010</i>	<i>2009</i>
	£	£
At beginning of year	19,964	(32,434)
Profit and loss account credit	73,445	53,213
Other movements	36	(815)
	<u>93,445</u>	<u>19,964</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

16. Deferred tax asset (continued)

The deferred tax asset is made up as follows

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Accelerated capital allowances	335,342	433,525
Tax losses carried forward	(404,993)	(433,889)
Short term timing differences	(23,794)	(19,600)
	<u>(93,445)</u>	<u>(19,964)</u>

17. Provisions

	<i>Warranty</i>
	<i>£</i>
At 1 January 2010	102,480
Additions	59,258
Amounts released to profit and loss account	<u>(76,260)</u>
At 31 December 2010	<u>85,478</u>

Warranty

A provision is recognised for expected warranty claims based on products sold during the last twelve months. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years of the balance sheet date.

18. Share capital

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
<i>Authorised</i>		
100,000- Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
730- Ordinary shares of £1 each	<u>730</u>	<u>730</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

19. Reserves

	<i>Capital redempt'n reserve</i> £	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £
At 1 January 2010	300	966,644	2,361,418
Loss for the year	-	-	(260,167)
Transfer between Revaluation reserve and profit and loss account	-	(40,056)	40,056
Other movements- exchange differences on retranslation of net assets of branch	-	-	(2,020)
	<u>300</u>	<u>926,588</u>	<u>2,139,287</u>
At 31 December 2010			

20. Reconciliation of movement in shareholders' funds

	<i>2010</i> £	<i>2009</i> £
Opening shareholders' funds	3,329,092	3,442,951
Loss for the year	(260,167)	(114,929)
Other recognised gains and losses during the year	<u>(2,020)</u>	<u>1,070</u>
Closing shareholders' funds	<u>3,066,905</u>	<u>3,329,092</u>

21 Pension commitments

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. During the period contributions payable amounted to £39,797 (2009 £37,885). The unpaid contributions outstanding at the period end included in accruals amounted to £6,182 (2009 £6,201).

22. Operating lease commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	<i>Land and buildings</i>		<i>2010</i> £	<i>Other 2009</i> £
	<i>2010</i> £	<i>2009</i> £		
Expiry date:				
Within 1 year	-	-	1,528	2,199
Between 2 and 5 years	<u>-</u>	<u>8,543</u>	<u>320</u>	<u>1,039</u>

GeoAcoustics Limited

**Notes to the financial statements
For the year ended 31 December 2010**

23. Related party transactions

The company has taken advantage of exemptions conferred by UK Accounting Standard FRS 8 from disclosure of certain related party transactions

24. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Kongsberg Maritime Holdings Limited a company registered in the United Kingdom

The company's ultimate parent undertaking, and controlling party, is Kongsberg Gruppen ASA, a company registered in Norway. The company's results are consolidated into the financial statements of Kongsberg Gruppen ASA and copies of these financial statements may be obtained from its registered address which is Kirkegårdsveien 45, P O Box 1000, 3601, Kongsberg, Norway



Companies House
— for the record —

COMPANY NAME: GEOACOUSTICS LIMITED

COMPANY NUMBER: 02571389

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20/12/2011