



Getech Group plc

Annual Report

and Accounts

YEAR ENDED
31 DECEMBER 2020

Company Registration Number: 02891368

Getech Highlights

Accelerating progress to global net-zero by supporting customers in the optimisation of existing, and delivery of new, energy assets and strategic mineral resources.

Covid-19 and Customer Activity Update

- In 2020 Getech balanced risk management with business development in zero-carbon energy.
- Covid-19 has created a challenging business environment, 2020 customer budgets reduced by c35%.
- In 2020, Getech's orderbook, annualised recurring revenue and customer relationships remained robust, but revenue declined as customers cut back project work, which also impacted data sales.
- The move to home working was smooth; projects continue to be delivered on time and to cost.
- Actions implemented from 1 May 2020 reduced monthly Group costs by c26%.
- Getech retains further cost flexibility and has maintained the capacity to deliver its orderbook and the resources needed to maximise the impact of its sales conversations and new business activities.

2020 Financial Highlights

Revenue
£3.6m (2019: £6.1 million)

Gross margin
53% protected by cost management initiatives (2019: 58%, adjusted)

Orderbook remained strong
£2.7m at 31 December 2020 (31 December 2019: £3.1 million)

Annualised Recurring Revenue
£2.1m at 31 December 2020 (31 December 2019: £2.3 million)

Total cost base*
20% below 2019 (2020: £5.1 million; 2019: £6.4 million)

Adjusted[†] EBITDA
£0.5m loss (2019: £0.9 million profit)

Net cash
£1.4m at 31 December 2020 (31 December 2019: £2.7 million)

*See table 3 on page 20 for details.

†Adjusted for exceptional items (see page 19 for details).

Beyond 2020 – delivering diversified growth

Getech is using its earth science and geospatial expertise to accelerate progress to global net-zero, by supporting its customers in the optimisation of existing, and delivery of new, energy assets.

- Getech is using its earth science and geospatial expertise to accelerate progress to global net-zero, by supporting its customers in the optimisation of existing, and delivery of new, energy assets and strategic mineral resources.
- For existing customers this means helping identify the highest value/lowest carbon-impact petroleum assets, whilst also utilising Getech's skills and technologies to support their net-zero asset investment.
- This work connects Getech with a wider group of net zero customers, with whom the Company is beginning to build a more diversified baseline of product and service sales.
- Getech's commitment to this path is underlined by the Company joining the United Nations' Race to Zero campaign - Getech's pledge is to be carbon-neutral by 2030.
- Getech will deliver this through the application of its products and skills, and by direct decarbonisation steps - taking targeted equity exposures in emergent carbon neutral value chains.
- In April 2021 Getech raised £6.25 million through a Placing, Subscription and Open Offer of shares.
- This will be used to grow and diversify Getech's activities across the zero-carbon economy, with particular focus on the green hydrogen, carbon capture, geothermal and strategic minerals sectors.
- Our focus is on activities that are essential, repeatable and strongly scalable.
- We will measure success through our carbon-neutral goal, our profit and the creation of asset value.
- In March 2021 Getech completed its first project investment - acquiring H2 Green, a data-led business that is using Getech's location analytics to establish a national network of green hydrogen hubs.
- Getech is also aligning its Board to these areas of focus – appointing a new Chairman and new NEDs. This brings expertise in clean technologies, zero-carbon investment, ESG and business scale up.
- Getech's Board is excited by the opportunities ahead and values the continued support of the Company's shareholders, customers and business partners.

RACE TO ZERO

Getech making
the **commitment** to be
carbon-neutral by 2030

At a Glance

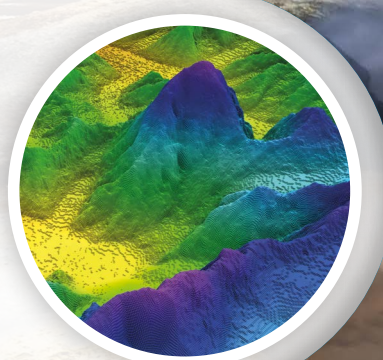
Our Mission

To accelerate progress to global net-zero carbon emissions by supporting our customers in the optimisation of existing, and delivery of new, energy assets and strategic mineral resources.



Our Strategy

To apply our extensive earth science and geospatial skills to the transitioning primary energy sector, in particular hydrogen, CCUS (Carbon Capture, Utilisation and Storage), geothermal and locating strategic minerals.



Our Customers

Energy and Natural Resource companies; Governments, States, Cities; Low Carbon energy investors.

The Commercial Formula

We are product and technology led, offering diversified growth from predictable annually recurring revenues. We deliver this through product sales and seeking direct exposures to project cash flows.

Our Building Scale

We intend to create growth both organically and through acquisition; targeting activities that are essential, repeatable and strongly scalable. We measure this in terms of total return on investment including, the creation of asset value, and the delivery of our pledge to be carbon neutral by 2030.



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Chairman and CEO Statement

Getech provides data, knowledge, software and analytical products and services to help governments and investors locate and manage new energy and mineral resources and to optimise their development. Our mission is to accelerate progress to global net zero by supporting our customers in the optimisation of existing, and the delivery of new, energy assets. We do this through the application of our extensive earth science and geospatial skills to the transitioning primary energy sector, in particular targeting growth across green hydrogen, carbon capture, geothermal energy and the mining of strategic minerals.

Our Market

In the 15 years since joining AIM, Getech has continually provided products and services to many international oil and gas companies and governments. We have developed a reputation for technical excellence, which is built on Getech's unique product Intellectual Property. From this we have built a strong financial and operational platform, underpinned by a robust orderbook and annualised recurring revenues.

As the world is transitioning towards net zero, petroleum exploration activity has declined and demand for alternative sources of energy has increased. These trends have been accelerated by the Covid-19 pandemic and provide numerous growth opportunities for the Group.



Richard Bennett
Chairman



Dr Jonathan Copus
Chief Executive

Getech's role in the path to net zero

The transition to a net zero economy is an unprecedented challenge. As the world seeks to decarbonise, this will require the replacement of more than 50% of the world's energy infrastructure and new supplies of rare earths and other metals. We see the global energy mix of our future as being built with many different renewable energy technologies, delivered through a distributed architecture. This presents a huge opportunity for Getech and our overarching goal is to build a portfolio of products, services and assets under management that build value and provide long-term sustainable cash flows.

Our commitment to this cause is demonstrated by our membership of the United Nations' Race to Zero campaign – Getech's pledge being to be carbon neutral by 2030.

Our existing energy customers

In the near-term, our business plan is to continue to service our existing energy customers. We will do this by optimising the value and sustainability of their petroleum portfolios, whilst also supporting their diversification into zero carbon assets and technologies.

While customer sentiment remains relatively subdued in comparison with the pre-Covid-19 environment, it is encouraging to see some momentum returning. In Q1 2021, this was evidenced by new data sales and service work, both of which were largely absent in H2 2020. Existing customers are also renewing their software licences, all of which is helping to build the orderbook and increase recurring revenues.

Through our current work, we also naturally engage with a wider group of new zero carbon customers, from whom we are already beginning to secure product sales, and winning service work.

Across all customers we deploy our skills in ways similar to how our earth scientists and geospatial experts have traditionally worked with oil and gas assets, namely:

- Where in the world will we find the resources required for the energy transition?
- Who can help us develop these resources?
- How do we optimise development and production?
- How do we operate these new projects?

Sector focus

We concentrate our business development work on activities that we consider to be essential, repeatable and strongly scalable. Sectorally, our knowledge and geospatial skills are best suited to identifying economically privileged and environmentally sustainable locations for:

- **Geothermal assets** - baseload energy that can be utilised to produce heat and power.
- **Strategic minerals** - deposits of rare earth and battery metals such copper and lithium.
- **Carbon capture and storage** - the conditions required to deliver safe long-term storage.
- **Green hydrogen** - utilising excess renewable energy to create hydrogen hubs.

We are excited to have already won new business in geothermal and have continued this momentum in announcing business collaborations in geothermal and hydrogen.

Investing for growth

To progress these sector focus areas, in April 2021 Getech successfully raised £6.25 million through a share Placing, Subscription and Open Offer. Since the completion of this fundraise, our priority has been to reorganise and focus our team on these exciting developing sectors, as we resource and commence our expanded program of investment.

Domain experts are being appointed to lead business development and product and service delivery in these new sector groupings. We are focused on identifying people who share our passion for a zero carbon future, who are established experts in their fields, with both a track record in business scale up and the delivery of commercial success in the green economy.

We are also reshaping the Non-Executive skills of our Board. Since the appointment of a new Board Chair, we have recruited a new Audit Chair designate who bring in-depth knowledge of clean technologies, renewable energy finance, strategic minerals, and environmental, social and governance (ESG).

Our ongoing program of investment focuses on repurposing our existing products and services to address further opportunities in the energy transition. We are also building partnerships and broadening our offering to include assistance in the technical and financial development of zero carbon assets.

By providing our customers with an integrated technical and commercial overview of their development portfolios and by expanding our work into emergent energy value chains, Getech can capture direct exposure to the value that our skills and technologies create at the asset level. This asset exposure brings our shareholders transformative potential, which can be delivered at low incremental capital costs.

We took our first step on this path in March 2021, when we exercised our option to purchase H2 Green Limited. H2 Green is a UK developer of hydrogen hubs, which we intend to use as a foundation to develop a portfolio of hydrogen projects. The Company is focused on establishing its first cash producing hydrogen assets, and has already entered into a notable agreement with UK gas distributor SGN Commercial Services with the aim of developing hydrogen hubs utilising their land portfolio. The company has also notably signed a Letter of Intent with Element 2, a Hydrogen fuel retailer, to supply green hydrogen to its refuelling stations.

As part of our ambitious, long-term growth strategy, we are focussed on identifying further value-enhancing partnerships and initiatives over the months and years ahead.

Our role in the energy transition

Getech's role in the Energy Transition is not to compete with industry mega projects that are currently being announced. Instead, we intend to use our earth science and geospatial expertise to identify and help develop economic zero carbon projects that will become part of a distributed energy system.

In addition, our strategy is not only to help our customers identify and develop zero carbon energy assets, but also to participate in the projects and become wherever possible co-owners, managers and/or service providers. We believe that such a portfolio of assets will increase the net asset value of the company and, with the recurring profits that result, substantially increase shareholder value. In aggregate, this could become a substantial energy business.

Outlook

With clear strategic focus, strong balance sheet, and new team members aligned with our vision, we are very excited about the outlook and growth prospects for Getech. 2021 will be about continuing to service our current petroleum customers whilst building on our foundations for growth in the green hydrogen, carbon capture, strategic minerals and geothermal sectors. Similar to our early steps into the hydrogen sector, we also see the potential for acquisitions within geothermal and strategic minerals as a path to both accelerate the build-out of our offering and to provide access to operating projects. We also expect to announce further product developments as we expand our offering further into these areas.

We look forward to keeping our shareholders abreast of developments as we identify further growth opportunities within the energy transition.

We would like to thank our employees and fellow board members for their continued dedication to the Company, helping Getech perform robustly in what has been a very challenging period.

“ It is a pleasure to become chairman of Getech at this inflection point in the development of the Group, as we apply our core geoscience skills and geospatial services to the energy transition and contribute to the decarbonisation of the world's energy systems. ”

Richard Bennett Chairman

Case Study Hydrogen



The Getech Group is making strategic investments into the hydrogen economy, leveraging its geospatial expertise to optimise green hydrogen production, and deploying its geoscience experience in supporting blue hydrogen carbon capture projects.

The strategic acquisition of H2 Green and its portfolio of opportunities in March 2021 places Getech in an excellent position to capitalise on a large part of this emergent market. H2 Green's mission is to establish a network of green hydrogen production hubs across the UK. To do this the Company is using a data-led approach, designed by Getech's geospatial experts to identify optimal overlap between demand growth and land opportunities.

H2 Green has already made substantial progress in the hydrogen market, including:

- Securing an option to redevelop 30 infrastructure assets for hydrogen production
- Signing an Letter of Intent to develop a strategic offtake framework agreement
- Building strategic relationships with other growth partners and government agencies

Driving this progress is H2 Green's customer-focused approach to developing clean hydrogen solutions. Our primary target customers, operators of commercial fleet vehicles, must have confidence in their fuel provider; H2 Green is unlocking that by switching production & storage designs from kilograms to tonnes - providing unprecedented security in supply for hydrogen customers.

The UK government in the Energy White Paper of 2020 has already defined hydrogen as a strategic fuel for the UK, and we expect their Hydrogen White paper due in July 2021, will call for the development of hydrogen hubs in cities and industrial hubs across the UK. Hydrogen is expected to become an important fuel choice for HGVs, city utility vehicles and trains, as well as a heating fuel. H2Green is well positioned to take advantage of the expected new policy and is gaining a significant head start by working with companies such as SGN Commercial Services to identify potential strategic locations.

Getech is also exploring ways to apply its geoscience and oilfield experience to aid carbon sequestration for blue hydrogen production projects. Requiring a combination of geospatial, economics and geological knowhow, we believe we can solve many of the challenges associated with permanent sequestration of carbon dioxide below ground.

Fuelling the future

Case Study Strategic Minerals

The technologies and infrastructure required to deliver a low carbon future rely heavily on metals and minerals. Meeting this demand is a significant challenge for the metals and mining industries, which have historically returned low exploration success rates.

Getech already counts a number of mining customers in its client base and these currently account for c.7 percent of Group revenue. These customers use Getech's gravity and magnetic data, Globe and its geoscience and geospatial technology services to help identify, predict, and rank potential sites for new deposits.

Getech's intention is to expand its footprint in this market, with a particular focus on the location and sustainable development of new deposits of strategic minerals. A key element to deliver this is to align Getech's 'Globe' product to the needs of mineral explorers.

Globe already comprises many essential components that assist in targeting giant mineral deposits, but its content is primarily designed for petroleum customers. In the last 18 months however, Globe has been adopted by a global minerals major and presentation of their work has driven sales interest from other mining companies.

To capture this commercial potential requires investment to enhance Globe's value offering to mining customers. This will include: a focus on deeper Earth processes, the extension of Globe's plate model further back in time, the update of Globe's palaeoenvironment data and an expansion of Globe's validation to include mineral occurrences and related key data.

To capture the full value of this work Getech intends to build its team - adding domain expertise and extending the Group's sales network - and has established commercial partnerships with companies which provide access to fresh, exciting and valuable content.

The work required to position Globe as an essential tool for mining will also in part bring value to existing petroleum customers and so the Group expects this investment to both expand Getech's reach into mining and strengthen its offering to Globe's current customers.



Case Study Geothermal

Heat from the Earth's interior can be harvested to provide a stable and predictable source of baseload energy. This is an advantage over key sources of renewable energy, such as wind and solar, which are variable in nature. With the petroleum majors poised to make their biggest geothermal investments in 30 years, Getech is well positioned to catch this rising wave of investment.

Getech already has products that add value to geothermal companies - its gravity and magnetic data are an essential tool for imaging and modelling the structure and temperature of the Earth's crust, and Getech has already developed global heat maps for its petroleum customers. These products combine with Getech's geoscience and geospatial services to provide valuable prospecting tools for geothermal resource.

With these capabilities as part of its foundation, Getech is developing a new solution called 'Heat Seeker' - a complete solution for geothermal prospectivity analysis and site selection. Heat Seeker addresses both the geotechnical conditions that create a viable geothermal resource as well as the availability of infrastructure and a potential customer market for any heat or power produced. This will help its customers - both governments and businesses - to identify optimum potential geothermal project opportunity locations. Getech intends to invest further in the development and promotion of this solution, and to accelerate its commercialisation through the recruitment of domain experts.

Through these activities, Getech targets new data sales and recurring license-based revenue. Getech is also exploring the potential to enhance the returns that it can generate, by capturing asset exposures - a commercial model similar in nature to H2 Green.

Covid Response

Throughout 2020 and into 2021, the Covid-19 pandemic has led to unprecedented restrictions on social and business activity. These have deeply disrupted the global economy. In H1 2020, in the face of sharp falls in oil demand, a relatively short-lived but untimely OPEC-Russia supply war added unwelcome complexity.

During H1 2020, Oil prices touched 20-year lows, followed by a recovery in demand and price in the latter part of 2020. In response to demand uncertainty, petroleum companies cut their 2020 capex budgets by c35%.

2020 was undoubtedly a very challenging and uncertain year but the combination of a strong balance sheet and orderbook at the start of the year helped Getech navigate this. Whilst Getech experienced a drop in 'spot' sales and short-term project work, there were no negative orderbook revisions and we maintained a strong level of recurring revenue throughout the year.

Operationally, the move to home working was smooth, with projects remaining on schedule - both in terms of time and cost. During this period of home working, the Group delivered a busy schedule of software and product upgrades, all to schedule. Having established solid remote communication practices early, we have also enhanced our ability to deliver online trials of our products. The uptake in product training from home working customers across our customer and contact base has been strong, and having expanded our programme of digital marketing, webinar attendance has increased significantly. Together, this creates a unique opportunity to both increase our profile and reach deeper into our customers' organisations and we have reshaped our sales and marketing activities to capture the benefit of this. We have also accelerated new business activities, focusing on the value that our transferable skills and technologies can deliver in new energy and infrastructure settings.

Like all businesses however, we do not know how long Covid-19 disruption and energy demand weakness will last, and so to preserve capital we implemented a range of actions that have lowered Group monthly costs by c26%. Getech retains additional cost flexibility, but, importantly, we have also maintained our capacity to deliver our contracted orderbook and to maximise the impact of our sales and new business conversations. Furthermore, in Q1 2021, Getech raised a £6.25m equity fund to accelerate diversified growth of the business in the Hydrogen economy, Geothermal energy, the mining of Strategic Minerals, as well as to strengthen the balance sheet and to mitigate risk from the near term effects of Covid.

In response to restrictions preventing in person communication with investors and other stakeholders, the board and executive have held virtual meetings with stakeholders and Getech has used regulatory news services, blog posts and social media when appropriate, to keep stakeholders apprised of developments within the business.

We believe Getech is now well positioned to rapidly adjust to any further deterioration, or improvement, in our core markets as well as strive for growth in new markets, and that this flexibility and our balance sheet strength, will underpin Getech throughout 2021 and 2022.

Operations Review

Getech's core value proposition combines our Geoscience and Geospatial expertise to provide unique insight for our energy sector customers.

In an energy market that is transitioning to deliver a decarbonised and decentralised primary energy system, the application of Getech's combination of skills and technologies opens a wide front of commercial opportunity to the Group. In 2020 we embraced these changes by continuing to evolve our solutions for our core petroleum markets, whilst also accelerating our plans to diversify into other energy and natural resource markets - including Mining, Geothermal and Hydrogen.

One of the foundations of our **Petroleum** offerings is our market leading Gravity and Magnetic (G&M) expertise. Through 2020, sales of data and related services declined as our customers reduced their levels of project-based work. Getech responded to this by focusing our staff's time on enhancing and broadening our offering. In 2020, we completed and released 'Multi-Sat 2020' - a major new gravity data product that integrates information from the latest satellites with innovative processing methods to create the most accurate, reliable and coherent gravity data for all offshore areas, providing resolution comparable to regional 2D shipborne solutions.

We also further enhanced our flagship earth modelling product, Globe, with the release of 'Globe 2020', which delivered new information, analytic tools and additional usability features, including an initial version for ArcGIS Pro, Esri's latest desktop GIS application. Our work to re-position Globe for the evolving petroleum market were further rewarded in 2020 when we secured a new super-major customer and high renewal rates for existing subscribers and those on multi-year licence agreements.

Elsewhere in petroleum, our GIS Software team completed releases that delivered significant enhancements to our software's data integration, exploration prospectivity analysis and onshore shale gas/oil well pad & lateral planning capabilities. As with Globe, software renewal rates through 2020 remained high and we were able to add several new customers through the year.

In addition, we continued to successfully deliver on a wide variety of oil and gas GIS services contracts, including the completion of our first significant GIS implementation project in the pipeline sector. That these products and services projects were delivered to customers on time and within budget was a notable achievement given the migration to home working caused by Covid-19 from March 2020.

Alongside our work in petroleum, through 2020 we focussed on better understanding how our core products were being used in the **Mining** sector. As a result of this, we were able to leverage both our G&M expertise and Globe to help customers deliver Copper and Lithium exploration projects - both potentially essential strategic minerals for the Energy Transition. As a result of these project successes, we commenced planning additional workstreams for further expansion into the Mining market, and work is now well underway in 2021.

Our innovation and market diversification work also identified **Geothermal** as a potentially untapped market for Getech. Through a combination of our G&M, geoscience and GIS expertise we developed the concept of the 'Heat Seeker' solution - a tool for locating potential geothermal resource sites within reach of readily available customer markets for heat or power.

As we planned the likely to be necessary for developing a Heat Seeker prototype, we also built a network of contacts within the Geothermal market and established strategic relationships to assist our work - one result of which was Getech becoming a member of the International Geothermal Association (IGA) in March 2021, an organisation that we continue to work in partnership with through 2021.

In 2020 we drove further diversification by entering the **Hydrogen** sector through our relationship with H2 Green, securing an exclusive option to acquire the business in November 2020. Early in our discussions with H2 Green we recognised that a key component of our joint value proposition was Getech's expertise in GIS and geospatial location analytics. These skills were key to enabling H2 Green to identify and rank multiple site locations across the UK as it developed and optimised its portfolio of green hydrogen opportunities. The success of this approach led to the acquisition of H2 Green in 2021 and the delivery of additional phases of location analysis in support of identifying further green hydrogen site locations.

Finally, our group-wide **Innovation** team, established in 2019, continued through 2020 with its remit to research and develop cross-discipline opportunities for new markets, capabilities, partnerships, products, and services. In 2020 our innovation work focussed on assessing opportunities within the geothermal and mining domains; applying machine learning to our Globe and G&M products to create new insight; further investigating the concepts of IoT and Digital Twins to feed geospatial projects; and developing solutions to enable organisations to analyse their CO2 emission sources and assess alternative greener energy supply as part of their energy transition requirements.



Chris Jepps
Chief Operating Officer

Financial Review

In 2020 the Covid-19 pandemic cast a shadow over the global economy and Getech's 'Covid response' is detailed on page 14 in this Annual Report.

The impact of Covid-19 compounded macroeconomic and investment themes that since 2014 have led to volatility and uncertainty in both oil prices and the levels of petroleum exploration spending. Brent averaged \$42/bbl (2019: \$64/bbl) and long-dated crude prices traded around the mid-\$40/bbl, down from mid-\$50/bbl in 2019. The impact of climate change has also continued to move up the social agenda, placing the Energy Transition firmly on the strategic roadmap of Getech and our customers.

To protect the Group against these dynamics, since 2016 management has focused on building Getech's foundation of recurring revenue and orderbook. Between 2017 and 2019 this focus grew Getech's annualised recurring revenue by 53% and orderbook by 197%. In 2020, in the face of unparalleled business disruption, Getech's orderbook, recurring revenue and customer relationships have all proved to be robust. Annualised recurring revenue totalled £2.1m at 31 December 2020 (31 December 2019: £2.3m) and order book totalled £2.7m at 31 December 2020 (31 December 2019: £3.1m).

Looking forward, Getech is also focused on the delivery of diversified transformational growth, with particular focus on the mining, hydrogen and geothermal sectors.

To aid in the analysis of Getech's underlying financial performance, the table below sets out key reported figures from the financial statements and the equivalent figure adjusted for exceptional items, detailed in footnote 1.

Table 1 - Financial Summary	2020		2019	
	Reported (audited) £'000	Adjusted ¹ (unaudited) £'000	Reported (audited) £'000	Adjusted ¹ (unaudited) £'000
Revenue	3,563	3,563	6,058	6,058
Gross margin	53%	53%	64%	58%
EBITDA	(601)	(486)	(1,935)	872
Operating loss	(1,774)	(1,659)	(3,091)	(284)
Loss after tax	(1,644)	(1,529)	(3,088)	(281)
Earnings per share	(4.38)p	(4.07)p	(8.22)p	(0.75)p
Cash (outflow)/inflow from operations (before W/C adjustments)	(516)	(516)	934	934
Development costs	(902)	(902)	(1,108)	(1,108)
Net (decrease)/increase in cash	(1,311)	(1,311)	2,154	2,154
Cash and cash equivalents	2,192		3,554	
Net cash	1,358		2,700	

(1) Exceptional administrative expenses

During the year, Getech incurred costs totalling £115,000 in relation to restructuring the business. In 2019 there were exceptional items relating to cost of sales and administrative expenses, which are detailed in note 24.

Operating Results

Revenue

Despite remote working throughout most of the year, Getech remained close to its customers through a broad and innovative program of online engagement.

This was rewarded by a high renewal rate on our subscription revenues. Annualised recurring revenue totalled £2.1m at 31 December 2020 (31 December 2019: £2.3m). Getech's orderbook was also robust, totalling £2.7m at 31 December 2020 (31 December 2019: £3.1m).

The Group did however see a drop in revenue, driven by our customers' reducing their levels of short-term project work, which also drove lower sales of off-the-shelf data. This resulted in an overall reduction in revenue from £6.1m in 2019 to £3.6m in 2020. This can be seen in the analysis of revenue by timing of recognition, where 'point in time' products revenue fell from £2.41m in 2019 to £0.48m in 2020, whereas products revenue over time (from subscriptions) increased from £1.96m in 2019 to £2.13m in 2020.

Gross margin before exceptional items

A large proportion of Getech's cost of sales are invariable, however Gross margin for the year was protected from the decrease in revenue by cost saving measures that the Group announced in May 2020. Overall gross margin was 53% for 2020, compared to 58% in 2019, adjusted. The products margin remained strong at 72% compared to 76% in 2019.

Getech's Services division returned to profit in 2019 and in 2020 the Group maintained a small gross profit, with a Services gross margin of 2% (2019: 8% margin). Getech continues to target a return to a 25% margin for the Services division in the mid-term.

Table 2 – Gross margin by reporting segment	2020		2019	
	Products £'000	Services £'000	Products £'000	Services £'000
Revenue	2,602	962	4,324	1,636
Cost of sales	(740)	(942)	(1,025)	(1,506)
Gross profit	1,862	20	3,299	130
Gross margin	72%	2%	76%	8%

Administrative costs

Administrative expenses include £1,173,000 of depreciation and amortisation charges. Excluding these charges and exceptional items and restructure costs, administrative expenses totalled £2,378,000; a 12% decrease (2019: £2,685,000). This reflects the net impact of cost saving measures that the group took in May 2020, the expression of which was partially diluted in the total administrative cost figure by fixed overhead costs such as rental, rates and subscription costs. In 2021 Getech has sub-let the London office, reducing fixed overhead costs.

Cost base analysis

Getech took significant cost saving measures in May 2020 as a result of the Covid pandemic and the impact of our Oil and Gas customers cutting their capex budgets by c35%. These measures included a small reduction in headcount, savings on travel and conference costs, utilisation of the government Furlough scheme in the UK and PPP scheme in the US. Staff also agreed to temporary salary reductions, ranging from 20% for Getech's board to 8% for most other staff.

As a result, the monthly Group cost base was reduced by 26%, and the Group cost base for 2020 as a whole was 20% lower than the cost base for 2019 (excluding restructuring costs and exceptional items).

The table below reconciles our cost base to the financial statements.

Table 3 - Cost base reconciliation	% Variance £'000	2020 £'000	2019 £'000
Cost of sales		1,681	2,532
Development costs capitalised		902	1,108
Administrative costs		3,551	3,809
Payment of lease liabilities		136	71
Depreciation and amortisation charges		(1,173)	(1,156)
Exchange adjustments		6	(2)
Movement on provisions		-	-
Cost base, excluding exceptional items	(20)%	5,103	6,362

Cost base is measured as: cost of sales, administrative costs, development costs capitalised and payment of lease liabilities, less depreciation and amortisation, and adjusted for movement in work in progress, non-cash foreign exchange adjustments.

EBITDA

A lower cost base and continued investment in the drivers of recurring revenue has limited the impact of lower revenue on EBITDA. Adjusted EBITDA totalled a £496,000 loss (2019: £872,000 profit).

Income tax

To help our customers understand and resolve their exploration and operational challenges requires Getech undertaking pioneering research and development. Against the cost of this work we obtained corporation tax relief, and subsequently realised a tax credit relating to the current year of £174,000 (2019: £53,000 credit).

Getech reported a loss after tax, adjusted for exceptional items and restructuring costs of £1,529,000 (2019: £281,000 loss).

Operating cash flows

Before working capital adjustments Getech's cash outflow from operations was £516,000 (2019: £934,000 inflow), this included restructuring costs of £115,000 paid during 2020.

Changes in working capital

In 2020 there was an overall net positive working capital movement of £248,000. As a result of Covid restrictions, Getech experienced delays in receipt of payment from several customers; at the year-end, receivables overdue by more than 3 months totalled £184,000 (2019: £nil), and deferred subscription invoices totalled £271,000. In early 2021, these positions were quickly resolved, however they negatively impacted working capital movement in the year and year-end cash balance by £455,000.

In 2019 there was net positive working capital movement of £2,525,000, this was largely due to the timing of product sales towards the end of 2018, for which cash was received in early 2019.

Investment and Capital Expenditure

In line with the Group's strategy to invest and enhance its product offering, Getech broadly maintained its development expenditure on Globe and Software in 2020, totalling £902,000 (2019: £1,108,000). Having successfully completed a £6.25m equity raise in H1 2021, Getech expects to increase investment in its products during 2021 as part of its strategy of diversified growth.

Financing

In April 2020, due to the uncertainties arising from Covid and a low Oil Price, Getech took a 12-month capital repayment holiday on its loan. During the year Getech made repayments against the loan facility of £20,000 (2019: £78,000). Getech recommenced capital repayments in April 2021.

Repayment of lease liabilities totalled £136,000 (2019: £71,000) and relate to the London office lease. After the year-end, in February 2021 Getech sub-leased the London office as part of its continued capital efficiency measures.

Post balance sheet events

In January 2021, Getech appointed Richard Bennett to the board as non-executive Chairman designate and Peter Stephens retired from his position as non-executive director. In April 2021, Richard assumed the position of Chairman, whilst Dr Stuart Paton stepped down from his Chairman position, Stuart remains on the board for a period of knowledge transfer.

In February 2021, Getech completed an agreement to sub-lease its London office.

On 31 March 2021, Getech shareholders approved a share placing to raise £6.25m to fund Getech's programme of growth through diversification. At the same time, the board approved the acquisition of H2 Green. Getech has agreed to pay up to £1m for H2 Green, payable in cash and shares. Milestone payments are linked to the hydrogen business achieving a number of key operational and commercial targets.

At the date of the report, H2 Green had met the first two of these milestones, resulting in up-front consideration of £250,000. Of this, £53,750 of the consideration was cash, the balance paid in shares.

In May 2021, the Group appointed Michael Covington as non-executive director. Michael is audit chair designate and will take the position of audit chair on 1 July 2021, following a period of hand-over with Dr Alison Fielding.

Liquidity and Going Concern

At the end of 2020, Getech held £2,192,000 in cash and cash equivalents (2019: £3,554,000).

Cash balances post-year-end increased significantly, Getech completing a £6.25m equity raise in April 2021, detailed above.

Getech's business activities and the factors likely to affect its future development, performance and position are set out in the Chairman's and Chief Executive's Review. The financial position of the Group, its cash flows and its liquidity position are described in the financial statements. In addition, notes 16 and 17 include details of Getech's key financial risks and the Group's policies and procedures for capital management.

In making the going concern assessment, the Board of Directors has considered Group budgets and detailed cash flow forecasts to 30 June 2022. The Board has considered the sensitivity of these forecasts with regards to different assumptions about future income and costs, and various scenarios have been run on the potential impact of Covid-19 (see note 1.2 for more detail).

These cash flow projections, when considered in conjunction with Getech's existing cash balances, and the cost saving measures implemented, demonstrate that the Group has sufficient working capital for the foreseeable future. Consequently, the Directors are fully satisfied that Getech is a going concern.



Andrew Darbyshire
Chief Financial Officer

Risk Management

How we manage risk

The Group constantly monitors the Group's risk exposures and reports to the Audit Committee and the Board on a regular basis.

The Audit Committee receives and reviews these reports and focuses on ensuring that the effective systems of internal financial and non-financial controls including the management of risk are maintained. The results of this work are reported to the Board which in turn performs its own review and assessment on an annual basis.

Key Risk Areas

Strategic Risk

Making sure we apply the appropriate strategies in certain situations and ensuring we deliver on strategic objectives.

Operational Risk

Successfully developing products and providing services that meet our customers' needs.

Financial Risk

Prudent financial management seeks to mitigate the impact of market fluctuations.

Risk Management Framework

The Board

The Board is responsible for setting the Group's risk appetite and acceptable risk tolerance and putting in place a framework for risk management.

The Audit Committee

The Audit Committee oversees the framework for risk management and ensures it is operating effectively.

Senior Management and Risk Owners

The risks are separated into strategic, operational and financial categories. Senior management are assigned responsibility for the identified risks within the three categories.

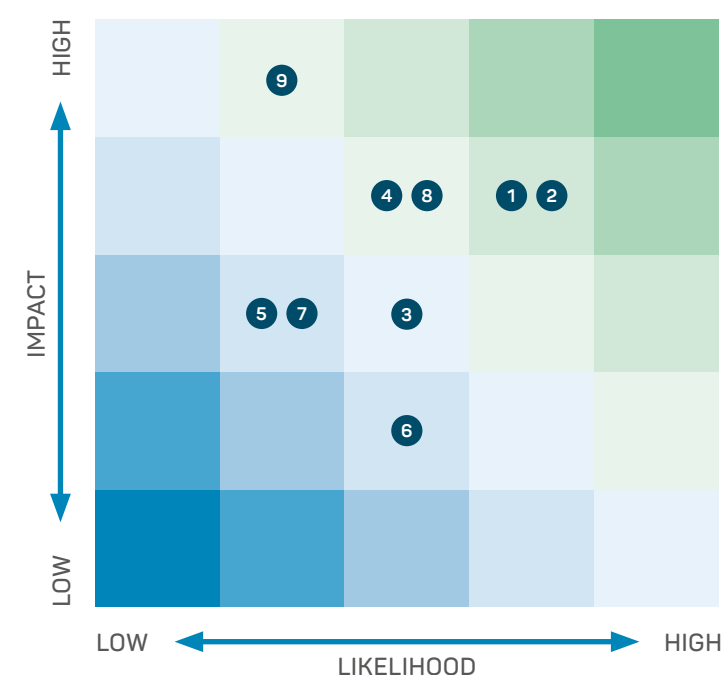
Risk Management Process

The risk management process utilises a risk register held by the Executive Committee (ExCom). Key risks in these registers have assigned owners and are reviewed during ExCom meetings. The risk owners ensure that the risks are monitored, mitigated and appropriate controls are implemented. The Audit Committee has delegated authority to the ExCom to manage the risks.

Risk matrix

Each risk on the risk register is rated for its likelihood of occurring and on the risk's potential impact on the Group. Ratings are from 1 to 5, where 1 is least likely / lowest impact and 5 is most likely / highest impact.

The key risks are summarised on the risk matrix on the next page.



Risk scale

- 1 Covid-19 and oil price
- 2 Energy transition and climate change
- 3 Stakeholder engagement
- 4 Data security
- 5 Innovation
- 6 People
- 7 Operational control
- 8 Visibility of revenues
- 9 Liquidity and cash flow risk

Risk	Executive Ownership	Mitigation	Change	Impact	Likelihood
Strategic					
1 Covid-19 and Oil Price There is no way of knowing how long Covid-19 disruption and oil price weakness will last but there is certainty that when the world emerges from lockdown it will be in a recession.	CEO	To preserve capital, we have undertaken a broad range of measures, which together lower Getech's monthly costs by c26%. Looking forward, the Group retains additional cost flexibility, but we have been careful to maintain our capacity to deliver our orderbook of contracted work, and to retain the ability to maximise our sales conversations and to enhance our new business activities. The Group has undertaken a number of initiatives to further diversify revenue away from sources linked to the price of Oil. Further detail is given in the Covid Response section of this report.	↔	4	4
2 Energy transition and climate change Customers permanently reduce their spending on hydrocarbon exploration at a time when the detailed roadmap of the energy transition is still forming.	CEO	Diversification of Getech's product and service offerings to areas outside of hydrocarbon exploration. Getech is funded to deliver an initiative to diversify revenues into Mining and Geothermal markets and the Hydrogen economy. These sectors map closely to Getech's skills and technologies. They are also at varying stages of 'value chain' development, which the Company believes to mitigate a portion of the risk profile in terms of speed of sector development.	↗	4	4
3 Stakeholder engagement If Getech does not engage with its stakeholders, they will not understand the Group's commercial, strategic and corporate value.	CEO	Provide clear, transparent and consistent communication to all stakeholders. Ensure delivery against the Group strategic plan. Regular meetings with shareholders and potential shareholders. Getech has also retained a PR firm to further strengthen its program of stakeholder engagement.	↔	3	3
Operational					
4 Data security If there is loss or theft of data then our data could be devalued and we may lose the ability to sell the data.	CFO	Periodic audit of disaster recovery processes and controls. Ensuring appropriate data licence agreements are in place with our customers. Investment in IT security and periodic IT security audit.	↔	4	2

Risk	Executive Ownership	Mitigation	Change	Impact	Likelihood
Operational					
5 Innovation If we do not continue to innovate and provide cutting edge products and services, our competitors and customers will leave us behind.	COO	Continue to invest in innovation. Ensuring Getech has a clear innovation strategy. Creating a working environment that encourages the sharing of knowledge and ideas.	↔	3	2
6 People Retention of specialist staff is crucial to the success of the business.	COO	The Group aims to ensure that it provides stimulating work in an attractive environment; together with its employment policies, these features are designed to attract and retain the high-quality staff that form the basis for the Group's success.	↔	2	2
7 Operational control Delivery on time and to cost. Product plans and services that are in step with our customers' needs.	COO	The Group works closely with its customers to ensure that, wherever possible, Getech's offering is relevant to their most pressing needs. This is backed up with a focus on delivery, and we continue to invest in our Project Office team ensuring that project managers are adequately trained and have the appropriate tools to manage their projects. Monthly progress and performance reports are presented to the Executive Committee.	↔	2	2
Financial					
8 Visibility of revenues If we are not able to accurately forecast revenues then we will not be able to plan or guide properly, resulting in sub-optimal decision making.	CEO/CFO	Strategically grow recurring revenues through the positioning of our core products and services, reducing the Group's reliance on one-off lumpy transactions. Deliver diversified revenue growth. Careful budgeting, regular forecasting and review of performance against targets.	↔	4	4
9 Liquidity and cash flow risk The Group may be unable to meet short-term financial demands as a result of a volatile working capital cycle.	CFO	Cash flow forecasts and future income levels are carefully monitored on a regular basis to pre-empt liquidity issues before they occur. Careful budgeting and close control over expenditure mitigate risk. Post year-end, the £6.25m equity raise has strengthened the group balance sheet substantially.	↘	5	2

Approval of the Strategic Report

The Strategic Report on pages 4 to 25 was approved by the Board on 4 June 2021.

Richard Bennett
 Chairman

4 June 2021

Board of Directors



Richard Bennett Non-Executive Chairman

A N R I

Richard Bennett has extensive business and listed company experience over a career spanning 30 years. During that time, he has worked for General Electric in Asia and the US and co-founded and listed on NASDAQ J2Global, an internet telecoms business currently valued at US\$3.5 billion. He has worked in executive, chairman and non-executive roles with a series of highly successful growth-focused technology and clean energy companies, currently including the AIM-quoted wireless technology company, MTI Wireless Edge.



Dr. Stuart Paton Non-Executive Director

A N R

Stuart holds a number of advisory roles, including with GLG and Reform Scotland and is chair of the Machan Trust. He has previously been an advisor for Lime Rock Partners and Berwick's Consulting. Stuart was the Technical and Commercial Director and CEO of Dana Petroleum, delivering a number of acquisitions for them. Before joining Dana, he held a number of roles at Shell. Stuart has a BA in Earth Sciences and a PhD in Geology from Cambridge University.



Dr. Alison Fielding Non-Executive Director

A N R

Alison is an experienced entrepreneur and non-executive director. Her career has spanned scientific research at Zeneca plc, strategy consultancy at McKinsey & Company, investment and business building at IP Group plc and she is currently a board member of Maven Income and Growth VCT plc, Nanoco Group plc, Zotefoams plc and the Carnegie Trust for the Universities of Scotland. Alison holds an MBA from Manchester Business School, a PhD in Organic Chemistry and a First-Class degree in Chemistry from the University of Glasgow.



Michael Covington Non-Executive Director

A I

Michael has over 25 years' experience in corporate advisory and broking with international investment banks and financial and strategic consulting. In the last 15 years, his activities have included co-founding Solar Securities, one of the UK's first solar project developers, advising energy transition sector participants, and holding non-executive board positions including with Enertechnos Holdings Ltd., a power transmission technology player. He has also been an active investor at all stages of the value chain in European CleanTech & Renewables with Sustainable Investments Capital, a Barcelona based private equity fund. He qualified as a Chartered Accountant in 1994 with PwC.



Chris Flavell Non-Executive Director

N R I

Chris holds a BSc in Geology and an MSc in Applied Geophysics from the University of Birmingham. He started his career in 1980 with BP in London and has since worked for a variety of small to large Independent Oil Companies in various technical and managerial roles, as well as consulting for 8 years. Chris's last oil company role was General Manager of Exploration for Tullow Oil when the company grew rapidly following the discovery of major new oil provinces in Ghana, Uganda and Kenya. Chris is the Executive Chairman of Zinc Consultants.



Dr Jonathan Copus Chief Executive Officer

Jonathan brings to his role extensive industry, corporate finance and capital markets experience. Having worked as a deep-water exploration geologist at Shell he moved into the City, where as an energy sector equity analyst he was consistently rated number 1 by the investing institutions. In 2011 he was appointed CFO at Salamander Energy plc, a Southeast Asian-focused oil and gas production company which the management team sold to Ophir plc in 2015. Jonathan has a PhD from the University of Cambridge and a First-Class BSc in Geology from the University of Durham.



Andrew Darbyshire Chief Financial Officer

Andrew started his accounting and finance career at Garbutt & Elliott and went on to work in audit for Grant Thornton. Andrew joined Getech in 2014, to establish their new finance team and was appointed to the Board in February 2018. Andrew has a master's degree in Mathematics from the University of York and is a member of the Institute of Chartered Accountants in England and Wales, he is also the treasurer for the charity, Live Music Now – North East.



Chris Jepps Chief Operating Officer

Chris has extensive petroleum industry, GIS and entrepreneurial experience, having worked within integrated exploration teams at Shell, as a professional services consultant at Landmark Graphics and as Technical Director at Exprodat where Chris established the company's technical strategy and led its software design and development. Following Exprodat's acquisition by Getech Group plc in 2016, Chris joined as Products Director, becoming Getech Group plc COO in February 2018. Chris has a BSc in Geology from Imperial College, London, and is an alumni of Esri's Partner Advisory Council.

Committee Membership

A Audit Committee

N Nomination Committee

R Remuneration Committee

I Independent

Corporate Governance

Getech is committed to high standards of corporate governance. As such, the Board has chosen to adopt the principles of the Quoted Companies Alliance ('QCA') Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 ('the Code'). Details of how Getech complies with the Code, and the reasons for any non-compliance, are set out in this Corporate Governance statement.

The Board considers that the structure of the Board provides a cost-effective and practical method of directing and managing the Group. As the Group's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The board consider Getech to be in compliance with the ten principles of the QCA code, with the exception of including separate Audit Committee and Remuneration Committee reports. Due to the make-up of these committees being a large proportion of the non-executive board. All required disclosures have been made in this corporate governance report and the notes to the financial statements.

The Board

The Board currently comprises five Non-Executive Directors and three Executive Directors. The roles of the Chairman, who is non-executive and elected by the Board, and the Chief Executive, are separated. All Directors are subject to retirement by rotation and re-election is a matter for the shareholders. The Non-Executive Directors ensure a balance to the Board by constructively challenging the Executive Directors.

Post year-end, Richard Bennett joined the board as chairman designate and at the same time Peter Stephens retired from the board. In May 2021 Richard assumed the position of Chairman, whilst Stuart remained on the board as a non-Executive director through a period of knowledge transfer. In April 2021, Michael Covington joined the board as a non-Executive director and Audit Chair designate. After a period of knowledge transfer Michael will assume the position of Audit Chair, at which time Alison Fielding will step down from the position. After this period of change, there will continue to be 4 non-Executive Directors on the Getech board.

A Directors' Responsibilities statement in respect of the financial statements is set out in this Annual Report on page 33.

The Board is responsible for approving overall strategic, financial and operational matters and for the identification of risks faced by the Group. Board approval is required for certain matters, the most significant of which are:

- Final approval of the Annual Report and Accounts
- The budget and major capital expenditure
- The dividend policy
- Acquisitions and alliances policies

The Board delegates certain matters regarding audit, remuneration and nomination to its principal committees, each of which has written terms of reference.

Attendance by each Director at full meetings of the Board and Board committees of which they were a formal member during the year is summarised below.

The effectiveness of the Board is reviewed on an annual basis, and progress against the review recommendations is monitored on a regular basis. Directors who have been appointed to the Company have been chosen because of the skills and experience they offer.

The Company undertakes regular monitoring of personal and corporate performance using agreed Key Performance Indicators and detailed financial reports. Responsibility for assessing and monitoring the performance of the Executive Directors lies with the Chairman and the Non-Executive Directors.

The board undertakes an annual company health-check, where the board performs an appraisal of its effectiveness as a whole. Where areas for improvement are identified, specific actions are set, to be completed in a suitable timescale.

Progress of these actions are monitored on a regular basis. The Board considers the need for the periodic refreshing of its membership, this involves ensuring the skillsets provided by the board members continues to be aligned with corporate strategy and risk.

Company Secretary

The Company Secretary is responsible for ensuring that the Board procedures are followed, that the Company complies with Company Law and the AIM rules, and that the Board receives the information it needs to fulfil its duties.

All Directors have access to the Company Secretary and their appointment (or termination of appointment) is a matter for decision by the full Board.

Audit Committee

The Audit Committee consists of three non-executive members of the board and meets at least twice a year. The principal duties and responsibilities of the Audit Committee include:

- Monitor the Group's internal financial controls and assess their adequacy
- Review key estimates, judgements and assumptions applied by management in preparing published financial statements
- Review and update the Group's risk register
- Assess annually the auditor's independence and objectivity
- Make recommendations in relation to the appointment, re-appointment and removal of the company's external auditor
- Review and consider for approval, significant new contracts

Remuneration Committee

The Remuneration Committee consists of three non-executive members of the Board and meets at least once a year. The principal duties and responsibilities of the Remuneration Committee include:

- Setting the remuneration policy for all Executive Directors and the Chairman
- Recommending and monitoring the level and structure of remuneration for senior management
- Approving the design of, and determining targets for, performance-related pay schemes operated by the company and approve the total annual payments made under such schemes
- Reviewing the design of all share incentive plans for approval by the Board and shareholders

None of the Committee members have any personal financial interest (other than as shareholders), conflicts of interest arising from cross-directorships or day-to-day involvement in the running of the business. No director plays a part in any final decision about his or her own remuneration.

Nomination Committee

The Nomination Committee consists of four non-executive members of the board and meet at least once a year. The principal duties and responsibilities of the Nomination Committee include:

- Regularly reviewing the structure, size and composition of the Board
- Giving consideration to succession planning for Directors and other senior Executives
- Identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise
- Deciding membership of the Audit and Remuneration Committees

Board of Directors' attendance

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Dr Stuart Paton	10/10	2/2	1/1	1/1
Peter Stephens	10/10	2/2	—	1/1
Dr Alison Fielding	10/10	2/2	1/1	1/1
Chris Flavell	10/10	—	1/1	1/1
Dr Jonathan Copus	10/10	—	—	—
Andrew Darbyshire	9/10	—	—	—
Chris Jepps	10/10	—	—	—

The ten principles of the QCA code

Number	Principles	Disclosed in the 2020 annual report
1	Establish a strategy and business model that promotes long-term value for shareholders	Pages 6 - 9
2	Seek to understand and meet shareholders needs and expectations	Page 31
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Page 31
4	Embed effective risk management, considering both opportunities and threats throughout the organisation	Pages 22 - 25
5	Maintain the Board as a well-functioning, balanced team led by the chair	Pages 28 - 29
6	Ensure that between them the directors have the necessary and up-to-date experience, skills and capabilities	Pages 26 - 29
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	Pages 28 - 29
8	Promote a corporate culture that is based on ethical values and behaviours	Page 31
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	Pages 28 - 34
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Page 31

Communications with shareholders

The Board is committed to maintaining an open dialogue with shareholders. Working in coordination with Getech's Broker, Nomad and PR advisors, communication with shareholders is led by the Chief Executive Officer, the Group Finance Director and the Non-Executive Chair.

Throughout the year, the Board maintains a regular dialogue with institutional investors, providing them with such information on the Company's progress as is permitted within the guidelines of the AIM rules, Market Abuse Regulation (MAR) and requirements of the relevant legislation.

Twice yearly, at the time of announcing the Group's interim and full-year results, the Company does a round of visits to its major shareholders, as well as prospective new shareholders, to update them on developments and to receive feedback and suggestions from them. The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published in the Investor section of the Group's website.

The Board is aware of the need to protect the interests of minority shareholders and balancing these interests with those of any more substantial shareholders. The Annual General Meeting ('AGM') is the principal opportunity for private shareholders to meet and discuss the Group's business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are also available after the meeting for an informal discussion with shareholders.

The Board produces a series of updates throughout the year relating to company performance, these are distributed by RNS and RNS Reach. Copies of all RNS announcements and the resolutions passed following the most recent AGM can be found on the Getech website.

Getech's Broker also regularly publishes detailed financial research on the Group. In December 2020 Getech appointed Financial PR firm, Camarco, to further strengthen its programme of stakeholder engagement.

Corporate social responsibility

The Board recognises the importance of social, environmental and ethical matters. The Board also recognises the impact that their wider stakeholders have on the Group's long-term success, including employees, contractors, customers and suppliers.

As part of the staff appraisal process, employees are invited into an open dialogue and agreement on goals targets, aspirations and personal development opportunities.

We engage annually with our Globe and potential Globe customers at the Getech Globe User Group Meeting, which provides valuable insight into our customers' needs. In addition, we regularly request feedback on our products and services from our customers.

Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups. Key relationships with customers, suppliers, contractors and regulators are closely managed by the executive directors and the executive committee. All new suppliers and contractors must complete our "New Business Associates" process and all contractors must agree to the terms of our anti-bribery policies.

The Board is appraised of any issues arising. The Board also understands that it has a responsibility to consider, where practicable, the social, environmental and economic impact of its corporate strategy.

As part of our social responsibility and to safeguard our employees and contractors, we follow the UK Foreign Office advice on travelling and working abroad in high risk countries and territories.

As a Group we aim to minimise our carbon footprint; initiatives include the introduction of low energy LED lighting in our offices, waste recycling and the use of videoconferencing in place of international travel where practical.

Starting in 2019, assessed footprint from travel, carbon offset scheme. In 2020, we moved beyond carbon offset by making a direct investment in a Hydrogen infrastructure business, which we subsequently acquired in 2021 and raised equity to fund this Hydrogen opportunity as well as activities in Geothermal and Mining, which align with the Group's focus on accelerating progress to global net zero. In step with this, we signed up to the UN race to zero campaign.

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Group is to provide data, knowledge, software and analytical products and services to help governments and investors locate and manage new energy and mineral resources and to optimise their development.

Future developments

The future developments of the Group are included in the Outlook section of the Chairman and Chief Executive's Review.

Directors

The Directors of the Parent Company who served during the year were:

Richard Bennett (appointed 28 January 2021)
Dr Jonathan Copus
Michael Covington (appointed 13 May 2021)
Andrew Darbyshire
Dr Alison Fielding
Chris Flavell
Chris Jepps
Dr Stuart Paton
Peter Stephens (resigned 28 January 2021)

Results and Dividends

The results for the year are set out on page 45. The Directors do not recommend a dividend (2019: no dividend).

Directors' Indemnity

The Group maintains Directors' and Officers' liability insurance, which gives cover against legal action that may be taken against them. Qualifying third-party indemnity provisions (as defined in Section 234 of the Companies Act 2006) are in force for the benefit of Directors.

Risks

The principal risks of the Group including around financial risk management are included in the Strategic Report (see pages 22 to 25).

Substantial Shareholders

The Parent Company was notified on 6 April 2021 of the following interests in excess of 3% of its issued Ordinary Share capital. Please see the table below:

Corporate Governance

See separate Corporate Governance Report.

Companies Act s172 statement

The Directors set out their statement of compliance with s172 (1) of the Companies Act 2006 (s172), which should be read in conjunction with the rest of the annual report and the Corporate Governance section of the Getech website.

S172 requires Directors to take into consideration the interests of stakeholders in their decision making. In the midst of Covid restrictions, this has brought about additional challenges, which is discussed in more detail in the Covid Response section of the annual report.

The Board continue to have regard to the interests of the Company's shareholders, employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. In particular:

- The Board has a strategy for diversified growth, which is discussed in more detail on pages 8 of the annual report. The Board therefore gives careful consideration to the long-term consequences of any immediate decisions.
- Our employees are fundamental to the success of the business. The Executive Committee provides regular group-wide 'Friday updates' to all staff and Getech's CEO hosts a town-hall forum for staff discussion every quarter. There are also a range of other initiatives, which are aimed at enhancing the learning, interaction and interest of our employees.
- Getech values its relationships with customers and suppliers. As a part of our ISO 9001 accreditation, customers are regularly asked to complete satisfaction surveys to ensure that the products and services that we provide are to the highest standards.
- Getech is a responsible corporate citizen and we minimise our impact on the environment. More detail of our interactions with our employees, customers, suppliers, community and environment can be found on page 31 of the Corporate Governance report.
- As a Board, it is our intention to behave responsibly toward our shareholders and treat them fairly and equally, so that they all benefit from the success of the Group.

The Board has overall responsibility for ensuring high standards of governance, and to determine the Group's purpose, values and strategy. The primary aim of the Board is to promote the long-term sustainable success of Getech, generating value for shareholders and contributing to wider society.

Statement of Directors' responsibilities

The Directors are responsible for preparing the 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 prepared the consolidated financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 Group and of the profit or loss of the Company and Group for that year. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed in the consolidated financial statements and the Parent Company's financial statements, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company or 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 the Group 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 the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's external auditor is unaware
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the external auditor is aware of that information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Substantial shareholders

	Number of Ordinary Shares	% of issued share capital
Amati Global Partners	7,727,000	11.7
BGF Group	5,805,089	8.8
Eiffel Investment Group	5,460,089	8.3
Premier Miton Group	4,160,968	6.2
Hargreaves Lansdown plc	3,447,397	5.2
Walker Crips Group	3,025,000	4.6
Jarvis Securities	2,489,808	3.8
Rathbones plc	2,241,978	3.4
Interactive Investor	2,161,520	3.3

Going Concern

In making the going concern assessment, the Board of Directors has considered Group budgets and detailed cash flow forecasts to 30 June 2022. The Board has considered sensitivity of these forecasts with regards to different assumptions about future income and costs, and various scenarios have been run on the potential impact of Covid-19 (see note 1.2 for more detail). This assessment also takes into consideration the post year-end equity raise of £6.25m and the Group's plan for diversified growth.

These cash flow projections, when considered in conjunction with Getech's existing cash balances, and the cost saving measures implemented, demonstrate that the Group has sufficient working capital for the foreseeable future. Consequently, the Directors are fully satisfied that Getech is a going concern.

Post balance sheet events

See post balance sheet events section of the Financial Review on page 21.

Auditor

Grant Thornton UK LLP has expressed its willingness to continue in office as external auditor. A resolution to re-appoint Grant Thornton UK LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Richard Bennett

Chairman
4 June 2021

Independent auditor's report

to the members of Getech Group plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Getech Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent Company Statement of Financial Position, the Parent Company 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 the preparation of the group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and the parent 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 as applied to listed entities, 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the key audit matters section of our report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

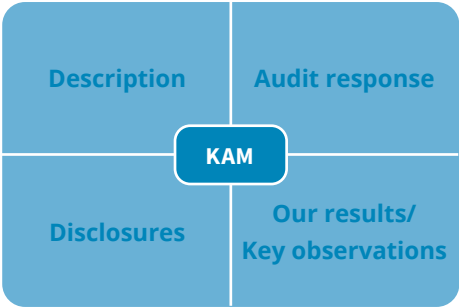
Independent auditor’s report cont.
to the members of Getech Group plc

Our approach to the audit

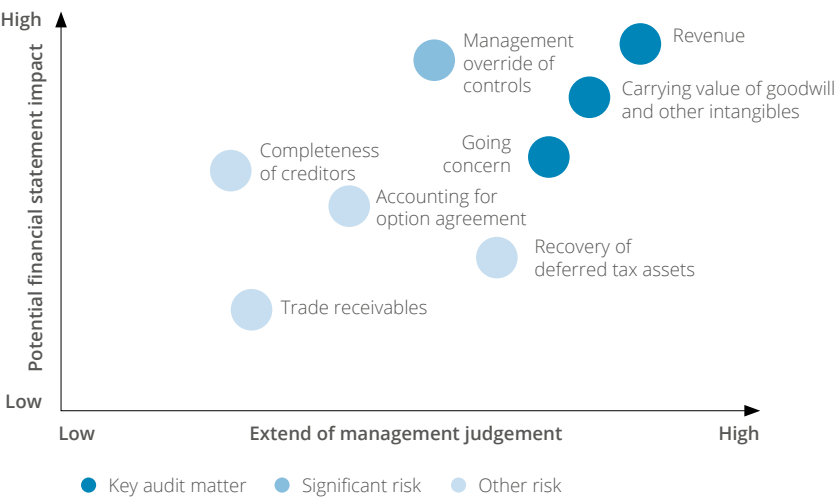
	Overview of our audit approach
Materiality	Overall materiality: Group: £88,950, which represents 5% of the group's loss before taxation. Parent company: £66,700, which is based on the Company's loss before tax, restricted as a component of the group.
Key audit matters	Key audit matters were identified as; <ul style="list-style-type: none">• Improper revenue recognition• Carrying value of goodwill and other intangible assets• Going concern These were all key audit matters in the previous year.
Scoping	We have performed the following audit procedures: <ul style="list-style-type: none">• an audit of the financial statements of the parent company – Getech Group plc (full scope audit);• an audit of one or more account balances, classes of transactions or disclosures of the component (specified audit procedures) of two further components – Exprodat Consulting Limited and Geophysical Exploration Technology Inc – to gain sufficient appropriate audit evidence at the group level; and• analytical procedures at group level for the remaining component in the group during the year – ERCL Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Key Audit Matter – Group and Parent	How our scope addressed the matter – Group and Parent
<p>Revenue Recognition</p> <p>We identified revenue recognition as one of the most significant assessed risks of material misstatement due to the improper recognition of revenue as a result of fraud. Revenue for the year totalled £3.6m.</p> <p>The risk is heightened based on the level of revenue which is accrued or deferred based on underlying contracts for non-recurring work. In respect of revenue recognised for ongoing projects, there is a risk that revenue is recognised before the risks and rewards of ownership have transferred to the customer, and performance obligations have been met.</p> <p>As there are contractual arrangements with customers, there is a risk that revenue is misstated as each contract's outcome and stage of completion requires professional judgement.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none">• Obtaining an understanding of the relevant processes and controls in place for the recording of revenue;• Evaluation of the group's revenue recognition policies for appropriateness with IFRS 15, including challenge of management judgements concerning the stage of completion at year end;• Testing a sample of revenue transactions in respect of sale of products and provision of services and assessing them against supporting documentation relating to underlying contract and proof of delivery as relevant, to determine whether income has been appropriately recognised in accordance with IFRS 15 and the Group's accounting policy;• Testing of transactions around the year end to determine whether the transactions were recorded in the correct accounting period and whether revenue was appropriately deferred;• Testing the completeness of revenue, via tracing from bank receipts back to invoice and recognition of revenue in the nominal ledger; and• Comparison of current year revenue with that from the prior period and obtaining and corroborating the explanations for significant and unusual variances.
<p>Relevant disclosures in the Annual Report and Accounts 2020</p> <p>The group's accounting policy on revenue recognition including the key sources of estimation uncertainty is shown in notes 1.6 and 1.19 in the Accounting Policies section and related disclosures are included in Note 2 to the consolidated financial statements.</p>	<p>Our results</p> <p>Based on our work performed we have identified no material misstatement in the revenue based on non-recurring contracts recognised during the year.</p>

Independent auditor's report cont.
to the members of Getech Group plc

Key Audit Matter – Group and Parent	How our scope addressed the matter – Group and Parent
<p>Carrying value of goodwill and other intangible assets We identified carrying value of goodwill and other intangible assets as a significant risk of fraud and error, which was one of the most significant assessed risks of material misstatement.</p> <p>Within the consolidated statement of financial position there are significant balances for goodwill and other intangible assets arising from both previous acquisition activity and ongoing development work. These amounted to £3.7m at 31 December 2020.</p> <p>Within the parent company financial statement of financial position there are significant balances for intangible assets arising from ongoing development work. These amounted to £2.8m at 31 December 2020.</p> <p>These balances represent a significant proportion of the total assets figure within the statements of financial position and, if the underlying subsidiaries are not performing in line with forecast, or the capitalised development work is not delivering against its objectives, are at risk of being materially misstated due to unrecorded impairment. Further, the forward forecasts include a degree of estimation as to future projects to be delivered and the results to be derived therefrom.</p> <p>The group has a number of cash generating units for which separate impairment reviews will be required to be undertaken, by reference to the assets attaching to these.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the relevant processes and controls in place for the assessment of the carrying value of goodwill and intangible assets; • Determination of whether the assigned life of each applicable intangible asset remains appropriate; • Computation of an expectation of amortisation expense for the year and comparison to the expense recorded in the financial statements; • Assessment and challenge of management prepared reviews of the carrying value of goodwill and intangible assets. Our challenge focussed on the assumptions regarding future revenues and cash flows from the underlying cash generating units relative to historic performance, prospects of future commercial projects, and assessment of the growth rates and discount rates applied; • Testing of the accuracy of management's forecasting through a comparison of budget to actual data; • Obtaining and assessing management's allocation of assets and cash flows to each cash generating unit in the prepared forecasts; • Performing sensitivity analysis to understand the impact of any reasonably possible changes in assumptions and evaluating the headroom available from different outcomes to assess whether goodwill and other intangibles could be impaired; and • Assessing whether the group's disclosures with respect to the carrying value of goodwill and other intangibles are adequate and whether the key assumptions are disclosed.
<p>Relevant disclosures in the Annual Report and Accounts 2020 The group's accounting policy on intangible assets including the key sources of estimation uncertainty is shown in notes 1.12 and 1.19 in the Accounting policies section and related disclosures are included in notes 9 and 10 to the consolidated financial statements.</p>	<p>Our results Based on our audit work we have not identified any material misstatements in the carrying value of goodwill and intangible assets in the financial statements.</p>

Key Audit Matter – Group and Parent	How our scope addressed the matter – Group and Parent
<p>Going Concern We identified going concern as one of the most significant assessed risks of material misstatement due to fraud and error as a result of the judgement required to conclude whether there is a material uncertainty related to going concern.</p> <p>Covid-19 is one of the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to continued levels of uncertainty. The pandemic has adversely affected the key markets in which the group operated during 2020 as regards demand levels, and could continue to adversely impact the future trading performance of the group and company. As such this increases the extent of judgement and estimation uncertainty associated with management's decision to adopt the going concern basis of accounting in the preparation of the financial statements.</p> <p>In undertaking their assessment of going concern for the group, the Directors considered the impact of Covid-19 related events in their forecast future performance of the group and anticipated cash flows.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <p>Discussions with management to gain an understanding of any relevant circumstances, or events, which may impact the going concern status of the Group, or any individual group entity;</p> <p>Review of management's forecasts covering the period to 30 June 2022, and assessment of how these forecasts were compiled, including assessing their accuracy by validating the reasonableness of underlying assumptions including the impact of Covid-19;</p> <p>Assessment of the reliability of management's forecasting by comparing the accuracy of actual financial performance to the forecast information;</p> <p>Assessment of management's cash position throughout the period of forecast. This assessment included the corroboration of mitigating actions taken by management to relevant documentation and evaluation of their application in the revised forecasts for accuracy;</p> <p>Assessment of management's sensitivity analysis on their base case forecasts to determine the reduction in revenue, earnings and cash that would lead to elimination of the headroom in their cash flow forecasts; and</p> <p>Challenge of management with regards to the adequacy of the going concern disclosures included within the financial statements.</p>
<p>Relevant disclosures in the Annual Report and Accounts 2020 The group's accounting policy on going concern is shown in note 1.2 in the Accounting policies section of the consolidated financial statements.</p>	<p>Our results Based on the procedures performed, we concur with management's assessment of the applicability of the going concern basis of preparation of the financial statements.</p>

Independent auditor's report cont. to the members of Getech Group plc

Our application of materiality

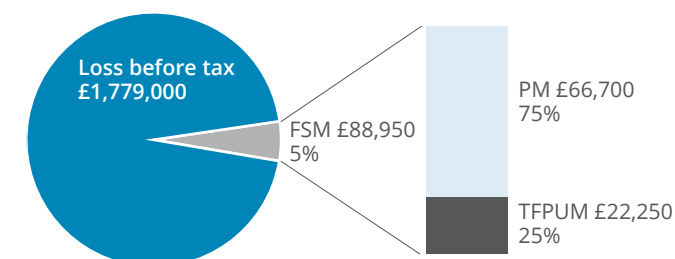
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

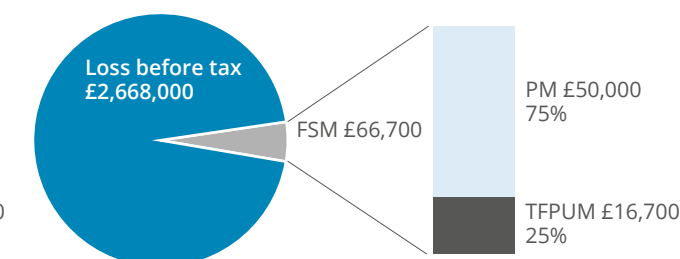
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£88,950, which is 5% of the group's loss before tax	£66,700, which is based on the parent company's loss before tax, restricted by reference to the significance of the component to the group
Significant judgements made by auditor in determining the materiality	Loss before tax is a key performance metric for users of the financial statements. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2019. A different benchmark has been utilised to calculate materiality for the current year to reflect the trading performance of the group.	Loss before tax is a key performance metric for users of the financial statements. The Parent company is the largest trading company, and contributes the largest loss to the group. Therefore, determining the parent materiality as a percentage of the company loss but restricted to an appropriate level for the component ensures that materiality is based on a key figure to users of the financial statements. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2019 to reflect the higher group materiality in the current year.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£66,700 which is 75% of financial statement materiality.	£50,000 which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: <ul style="list-style-type: none"> consideration of control deficiencies identified in prior years; whether there were any significant adjustments made to the group's financial statements in prior years; and assessment for any significant changes in business objectives and strategy of the group. 	In determining performance materiality, we made the following significant judgements: <ul style="list-style-type: none"> consideration of control deficiencies identified in prior years; whether there were any significant adjustments made to the parent company's financial statements in prior years; and assessment for any significant changes in business objectives and strategy of the parent company.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£4,400 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£3,300 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

- We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components and their environments, including group-wide controls

The engagement team obtained an understanding of the group, its environment and risk profile, including group-wide controls, and assessed the risks of material misstatement at the group level. We considered the structure of the group, its processes and controls and the industries in which the components operate.

Identifying significant components and type of work to be performed on financial information of parent company and other components

- In order to address the risks identified, the engagement team performed an evaluation of identified components to assess the significant components and to determine the planned audit response based on a measure of materiality, calculated by considering the component's significance as a percentage of the group's total assets, revenue and profit/loss before tax. Of the group's four components, we identified one which, in our view, required an audit of their financial information (full scope audit), either due to size or risk characteristics. As a result of this, we performed an audit of the financial statements of the parent company only;
- We identified improper recognition of revenue, the carrying value of goodwill and other intangible assets and going concern as key audit matters, and the audit procedures performed in respect of these have been included in the key audit matters section of our report;
- We performed specified audit procedures over certain balances and transactions of two components to give appropriate coverage of balances. Together, the components subject to full-scope audits and specified audit procedures were responsible for 99% of the group's revenue, 99% of the group's loss before tax, and 98% of the group's total assets; and
- We performed analytical procedures at group level over the remaining component. These procedures, together with the additional procedures outlined above, performed at the group level gave us the audit evidence we needed for our opinion on the group financial statements as a whole. All audit work has been undertaken by the group engagement team.

Changes in approach from previous period

One of the subsidiary companies subject to full scope audit in the prior year has been subject to specified audit procedures in the current year and the other subsidiary subject to full scope audit in the prior year has been subject to analytical procedures at the group level in the current year. These changes have been made as a result of a review of the financial significance of the subsidiaries relative to the group as a whole, in conjunction with the audit exemption applied by the Directors for these subsidiaries for the year ended 31 December 2020 via parental guarantee.

Independent auditor's report cont. to the members of Getech Group plc

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 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.

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the parent company and the group and industry in which they operate. We determined that the following laws and regulations were most significant: international accounting standards in conformity with the requirements of the Companies Act 2006, Quoted Companies Alliance (QCA) Corporate Governance Code and the relevant tax compliance regulations in the jurisdiction in which the group operates, being the UK and the US. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements relating to employee matters, environmental, and bribery and corruption practices;
- We understood how the parent company and the group is complying with those legal and regulatory frameworks by making inquiries to the management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee;
- We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation such as board minute reviews and papers provided to the Audit Committee. From the procedures performed we did not identify any material matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the parent company's and the group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the group engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgements made by management in its significant accounting estimates, in particular around accounting for revenue and the carrying value of non-current assets;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
 - Identifying and testing related party transactions.

Independent auditor's report cont.
to the members of Getech Group plc

- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and
 - Knowledge of the industry in which the group operates.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition and application of the going concern assumption. These are also reported as a key audit matters in the key audit matter section of our report where the matters are explained in more detail and the specific procedures we performed in response to the key audit matters are described in more detail.

Use of our report

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.

Victoria McLoughlin BA FCA

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
4 June 2021

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Sales revenue	2	3,563	6,058
Cost of sales		(1,681)	(2,533)
Gross profit before exceptional items	2	1,882	3,525
Exceptional cost of sales		—	325
Gross profit	2	1,882	3,850
Administrative expenses		(3,551)	(3,809)
Fair value gains and losses	12	10	—
Operating (loss)/profit before exceptional administrative costs		(1,659)	41
Exceptional administrative expenses		(115)	(3,132)
Operating loss	3	(1,774)	(3,091)
Finance revenue	5	1	14
Finance costs	6	(45)	(64)
Loss before tax		(1,818)	(3,141)
Tax credit	7	174	53
Loss for the year		(1,644)	(3,088)
Other comprehensive income			
Currency translation differences on translation of foreign operations		(57)	6
Total comprehensive income for the year attributable to owners of the Parent Company		(1,701)	(3,082)
Earnings per ordinary share (EPS)			
Basic EPS	8	(4.38)p	(8.22)p
Diluted EPS	8	(4.38)p	(8.22)p

All activities relate to continuing operations. The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Goodwill	9	296	296
Intangible assets	10	3,509	3,568
Property, plant and equipment	11	2,716	2,906
Deferred tax asset	7	364	346
		6,885	7,116
Current assets			
Trade and other receivables	12	1,353	1,994
Tax receivable		278	136
Cash and cash equivalents	13	2,192	3,554
		3,823	5,684
Total assets		10,708	12,800
Current liabilities			
Short-term borrowings	14	85	78
Trade and other payables	15	1,366	1,697
		1,451	1,775
Non-current liabilities			
Long-term borrowings	14	750	776
Trade and other payables	15	282	421
Deferred tax liabilities	7	176	109
		1,208	1,306
Total liabilities		2,659	3,081
Net assets		8,049	9,719
Share capital	18	94	94
Share premium		3,053	3,053
Merger reserve		2,407	2,407
Share-based payment (SBP) reserve		251	242
Currency translation reserve		(26)	31
Retained earnings		2,270	3,892
Total equity		8,049	9,719

The financial statements of Getech Group plc (company number: 02891368) were approved by the Board of Directors and authorised for issue on 4 June 2021.

Andrew Darbyshire
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Merger reserve £'000	SBP reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
1 January 2019	94	3,053	2,407	183	25	6,980	12,742
Loss for the year	—	—	—	—	—	(3,088)	(3,088)
Other comprehensive income	—	—	—	—	6	—	6
Total comprehensive income	—	—	—	—	6	(3,088)	(3,082)
Transactions with owners:							
Share-based payment charge	—	—	—	59	—	—	59
31 December 2019	94	3,053	2,407	242	31	3,892	9,719
Loss for the year	—	—	—	—	—	(1,644)	(1,644)
Other comprehensive income	—	—	—	—	(57)	—	(57)
Total comprehensive income	—	—	—	—	(57)	(1,644)	(1,701)
Transactions with owners:							
Share-based payment charge	—	—	—	31	—	—	31
Transfer of reserves	—	—	—	(22)	—	(22)	—
31 December 2020	94	3,053	2,407	251	(26)	2,270	8,049

Consolidated Statement of Cash Flows

for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Loss before tax		(1,818)	(3,141)
Finance income	5	(1)	(14)
Finance costs	6	45	64
Fair value gains and losses		(10)	—
Depreciation charge	3	214	216
Amortisation of intangible assets	3	960	940
Impairment of goodwill	9	—	3,132
Impairment of intangible assets	10	—	621
Adjustment to direct cost accruals		—	(946)
Expected credit loss provisions on loans and loan commitments		70	—
Share-based payment charge		31	59
Foreign exchange adjustments		(6)	3
Cash (outflow)/inflow from operating activities		(516)	934
Movements in working capital:			
(Increase)/decrease in trade and other receivables	12	600	2,861
Increase/(decrease) in trade and other payables	15	(352)	(336)
Cash generated from operations		(268)	3,459
Tax (paid)/received		83	37
Net cash (outflow)/inflow from operating activities		(185)	3,496
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(24)	(30)
Purchase of intangible assets	10	—	(5)
Development costs capitalised	10	(902)	(1,108)
Interest received	5	1	14
Net cash outflow from investing activities		(925)	(1,129)
Cash flows from financing activities			
Repayment of loan		(20)	(78)
Repayment of lease liabilities		(136)	(71)
Interest paid	6	(45)	(64)
Net cash outflow from financing activities		(201)	(213)
(Decrease)/increase in net cash and cash equivalents		(1,311)	2,154
Cash and cash equivalents at the beginning of the year		3,554	1,400
Foreign exchange adjustments to cash and cash equivalents		(51)	—
Cash and cash equivalents at the end of the year	13	2,192	3,554

Notes to the Consolidated Financial Statements

for the year ended 31 December 2020

1 Accounting policies

1.1 Basis of preparation

The consolidated financial statements of Getech Group plc (the Company) and subsidiaries (the Group) have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The accounts were approved by the Board and authorised for issue on 4 June 2021. Getech Group plc is a public limited company incorporated and registered in England and Wales and listed on the Alternative Investment Market (AIM).

The financial statements are prepared on a going concern basis under the historical cost convention except for certain items measured at fair value and are presented to the nearest thousand pounds (£'000) except as otherwise stated.

New and amended standards and interpretations

During the year, the Group adopted the following new and amended IFRSs for the first time for their reporting period commencing 1 January 2020:

Standard or interpretation	IASB effective date
Amendments to IFRS 3 Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 Definition of materiality	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform	1 January 2020
Amendments to IFRS 16, COVID-19 Rent Related Concessions	1 January 2020

During the year the group changed its accounting policies on Covid-19 rent related concessions upon early adoption of the IFRS 16 amendment. As a result the group's lease balances have not been recalculated.

New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory only for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not adopted early. Those that may be applicable to the Group in the future are as follows:

Standard or interpretation	IASB effective date
Amendments to IAS 16 Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 cycle	1 January 2022
Amendments to IAS 1 Presentation of financial statements on classification of liabilities	1 January 2022

The Group does not expect any material impact on the financial statements from the implementation of the above future standards.

1.2 Going concern

The Directors have performed regular reviews of trading and cash flow forecasts and have considered the sensitivity of these forecasts with regards to different assumptions about future income and costs. Various scenarios have been run on the potential impact of covid-19. These include an assessment of the orderbook – customer contractual commitments and Getech's ability to deliver this work; the drivers of licence renewals; and the modelling of extreme and hypothetical 'zero new revenue' downside scenarios, these extending across multiple years. Additional cost actions have also been modelled, including a bottom up restructuring of the Group's overhead, offices, technical staff and commercial activities.

In addition to the sensitivity models of future income and costs, we have made various assumptions to model cash flow forecasts: It has been assumed that the UK Government Job Retention Scheme will continue to be available until the end of September 2021 and that current social distancing measures and travel restrictions, which impact our ability to meet clients in person, will also be in place throughout H1 2021. In H2 2021, we make the assumption that these costs will return. We have also not relied on the availability of additional sources of cash in our forecast assumptions.

These cash flow projections, when considered in conjunction with Getech's existing cash balances, the net proceeds of a post year-end equity raise totalling £5.7m, and the cost saving measures implemented, demonstrate that the Group has sufficient working capital to at least 30 June 2022, being the Director's period of assessment. Consequently, the Directors are fully satisfied that Getech is a going concern or a period of at least 12 months from the date of signing the financial statements.

1 Accounting policies cont.

1.3 Basis of consolidation

The Group's financial statements consolidate those of the Parent Company and of its subsidiary undertakings, drawn up to 31 December 2020. A subsidiary is an entity controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All intercompany transactions and balances between the Group companies, including unrealised profits, have been eliminated on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

1.4 Business combinations

Business combinations are accounted for using the acquisition method of accounting. The acquired identifiable tangible and intangible assets are measured at their fair values at the date of the acquisition. Acquisition costs incurred are expensed under administrative expenses.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

1.5 Exceptional items

Items which are material either because of their size or their nature, and which are non-recurring, are presented within their relevant consolidated income statement category, but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance. Items which are included within the exceptional category include:

- spend on the integration of significant acquisitions and other major restructuring programmes;
- significant goodwill or other asset impairments relating to specific market events; and
- other particularly significant or unusual items.

1.6 Revenue

The Group has adopted IFRS 15 and its principles. Revenue is measured by reference to the fair value of consideration received or receivable by the Group for products and services provided, excluding VAT and comparable overseas taxes. Typical invoice payment terms are 30 days for all categories of revenue.

Revenue from products and services falls into the four categories below:

Consultancy services

The Group provides various consulting services to its customers. Revenue from these services is recognised on a time-and-materials basis plus a margin as the services are provided at a rate agreed in the customer contract. Customers are invoiced monthly as work progresses.

The Group also provides outsourcing services for a fixed fee for an agreed period, as agreed in the customer contract. As the amount of work required to perform these services does not vary significantly from month-to-month, revenue is recognised on a straight-line basis over the term of the contract.

This revenue accounting policy is applicable for revenues from Government Advisory Services, Geoscience Services and Geospatial Solutions.

Multiclient products

For sales of data and completed products, revenue is recognised when performance obligations have been satisfied, which is on dispatch unless otherwise agreed. The transaction price is fixed and agreed in the customer contract.

This revenue accounting policy is applicable for revenues from Geophysical Data and Regional Reports.

1 Accounting policies cont.

1.6 Revenue cont.

Licence revenue

Customers subscribe to Getech's software and data product licences, usually over a 12-month term. The customer has the rights to all of the benefits provided by the product over the term of the licence, as such, revenue is recognised over the term of the licence at the fixed fee agreed in the customer contract. The balance of the revenue invoiced is deferred.

This revenue accounting policy is applicable for revenues from Geospatial Solutions Software and Globe licences.

Multiple element contracts

Where contracts for multiple element products with staged deliverables involve delivery of several different elements which are not fully delivered or performed by the year end, revenue is recognised based on the proportion of the fair value of the elements delivered to the fair value of the respective overall contracts. Where the outcome of contracts that are long term in nature and contracts for ongoing deliverables cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from multiple element contracts is recognised after separating the contract income as follows:

- Completed project elements and specific reports that are immediately deliverable – revenue is recognised when the performance obligations have been satisfied, which is on dispatch unless otherwise agreed
- Service elements of the contract – revenue is recognised in line with the accounting treatment for consultancy services
- Project elements that are to be delivered from development work that is yet to be completed – revenue is recognised when the performance obligations have been satisfied, which is on dispatch unless otherwise agreed

1.7 Foreign currency translation

The Group's financial statements are presented in pound sterling, which is also the functional currency of the Parent Company.

Where supplies are obtained, or sales are made on terms denominated in foreign currency, such transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Exchange gains or losses arising on the settlement or translation of monetary items are included in profit or loss from operations.

The assets and liabilities of the Group's overseas subsidiary undertaking are translated into the presentation currency using exchange rates prevailing at the end of the reporting period. Translation differences in respect of the assets and liabilities of the foreign subsidiary are accounted for in the Group's currency translation reserve within equity. Income and expenses of this undertaking are translated at the average exchange rates for the period that approximates to the actual rates on transaction dates. Exchange differences arising, if any, are recognised in other comprehensive income and the Group's currency translation reserve.

1.8 Employee benefits

Pension schemes

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the schemes.

Share options

Where share options are granted, a charge is made to profit or loss and a reserve is created to record the fair value of the awards in accordance with IFRS 2 'Share-based Payment'. A charge is recognised in profit or loss in relation to share options granted based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, the future risk-free interest rate and exercise behaviour, and is based on the Black Scholes method. When share options are exercised, there is a transfer from the share option reserve to retained earnings.

At the end of each reporting period, the Group revises its estimate of the number of share options that are expected to vest, taking into account those that have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the share option reserve. If the terms and conditions of share options are modified before they vest, the change in the fair value of the share options, measured immediately before and after the modification, is charged to profit or loss over the remaining vesting period.

1 Accounting policies cont.

1.9 Research

Research expenditure is charged to profit or loss in the period in which it is incurred.

1.10 Accounting for Government Support

Amounts receivable under the UK Government's Coronavirus Job Retention Scheme have been recognised in profit or loss on a systematic basis net of the expense for which the monies are intended to compensate, once any conditions related to the receipts are met.

1.11 Right-of-use assets and lease liabilities

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use.

The right-of-use assets are initially measured at cost, which comprises:

- The amount of initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives;
- Any initial direct costs incurred by the lessee;
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-to-use assets are measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the life of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate (3.5%), or the rate implicit in the lease contract. Lease liabilities are included within trade and other payables (both current and non-current) in the statement of financial position.

After the commencement date, the Group measures the lease liability by:

- Increasing the carrying amount to reflect interest on the lease liability; and
- Reducing the carrying amount to reflect lease payments made.

1.12 Property, plant and equipment

Property, plant and equipment are carried at acquisition cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal instalments over their estimated useful economic lives at the following rates:

Freehold property	– 2% per annum on cost
Plant and equipment	– 33.3% and 25% per annum on cost

Material residual value and useful life estimates are updated as required, but at least annually. Freehold land is carried at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

1 Accounting policies cont.

1.13 Intangible assets

Expenditure on development activities is capitalised if the product or process meets the recognition criteria for development expenditure as set out in IAS 38 'Intangible Assets'. The expenditure capitalised includes all directly attributable costs, from the date that the intangible asset meets the recognition criteria, necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

Development expenditure is identified as being capital in nature if the costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure not meeting these criteria is recognised in profit or loss as incurred. Once the asset is ready for use, the capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses. Intangible assets not yet ready for use are tested for impairment annually.

Other intangible assets include acquired data holdings that qualify for recognition as intangible assets in a business combination. As these assets have finite useful economic lives, they are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives.

Residual values and useful lives are reviewed at each reporting date. In addition, intangible assets are subject to annual impairment reviews or a review whenever there is an indication of impairment.

The following useful lives are applied:

Customer relationships	– fifteen years
Software development	– five years
Development costs	– three to ten years
Reports	– ten years
Data holdings	– ten years
Goodwill on consolidation	– indefinite, annual impairment review

Amortisation is included within 'Administrative costs', except for amortisation of Reports, which is included in 'Cost of sales'.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

1.14 Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

1 Accounting policies *cont.*

1.14 Financial assets *cont.*

Subsequent measurement of financial assets – Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

1.15 Income taxes

Current tax is the tax currently payable or receivable based on the taxable profit or loss for the year.

R&D expenditure credits are included as a credit in administrative expenses. Tax losses surrendered for R&D tax credit refunds are included in tax charges/credits on the consolidated statement of comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if the reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, except where they relate to items that are charged or credited directly to equity (in which case, the related deferred tax is also charged or credited directly to equity), or where they relate to items of other comprehensive income (in which case, they are recognised in other comprehensive income).

1 Accounting policies *cont.*

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and demand deposits.

1.17 Equity

Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares
- 'Share premium account' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- 'Merger reserve' represents the premium on shares issued to acquire ERCL Limited and Exprodat Consulting Limited
- 'Capital redemption reserve' represents the nominal value of equity shares redeemed
- 'Share option reserve' represents the fair value of share options in accordance with IFRS 2 'Share-based Payment'
- 'Currency translation reserve' represents the value of exchange differences in translating the assets and liabilities of the foreign subsidiary
- 'Retained earnings' represents retained profits

1.18 Dividends

Dividend distributions payable to equity shareholders are included in 'Other short-term financial liabilities' when dividends are approved in general meetings prior to the end of the reporting period.

1.19 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group 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.

Financial liabilities also include loan commitments where these are agreed on non-beneficial terms to the Group. Such loan commitments are measured at the present value of the expected credit loss arising over the committed element of the loan to be advanced.

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

1 Accounting policies cont.

1.20 Significant accounting judgements and estimates

In applying the Group's adopted accounting policies, management has made appropriate estimates in key areas, and the actual outcomes may differ from those calculated.

Significant areas of judgement

The key sources of judgement at the end of the reporting period are as follows:

Control over H2 Green Limited ("H2 Green")

As described more fully in note 12, in November 2020 the Group entered into an option to acquire the entire ordinary share capital of H2 Green for initial consideration of £500,000 and contingent deferred consideration of up to £500,000, exercisable at the option of the Group. The option runs for a 9 month period. Concurrently to this the Group also entered into a loan commitment to provide up to £20,000 per month for up to 6 months (extendable by 3 months at mutual agreement), covering all working capital spending of H2 Green for the period. Getech retain the rights to terminate both agreements at any time, for any reason.

Control can take a number of forms and whilst this would usually include legal ownership of the shares, potential voting rights and other rights to direct operations or finances also form part of this judgement. The two agreements when taken together carry indicators of control for Getech, however on balance management have taken a view that this control is not so pervasive that control has been obtained prior to the year end. In addition, H2 Green is a start up business created to develop specific intellectual property, and so there is a secondary key judgement as to whether, at the date control may have been obtained, this represents a business as defined in IFRS 3.

Recognition of revenue from multiple element contracts

Management uses judgement in determining the fair value of multiple element contracts in order to appropriately recognise the revenue attributable to each element. The value of revenue recognised in the period is dependent on an assessment of work to completion.

Capitalisation of development costs

The capitalisation of development expenditure is dependent on the costs meeting the recognition criteria in accordance with IAS 38 'Intangible Assets'. In assessing the criteria, management makes judgements on the level of future economic benefits of the asset flowing to the Company. Management is assisted in making these judgements through the monitoring both of sales forecasts and of the level of future cost benefits arising.

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.

1 Accounting policies cont.

1.20 Significant accounting judgements and estimates cont.

Significant areas of estimation uncertainty

The key sources of estimation uncertainty at the end of the reporting period are as follows:

Multiple element contracts

Management uses estimates in determining the fair value of individual elements of the multiple element contracts in order to appropriately recognise the revenue attributable to each element. A value is assigned to each element of the contract, based on an estimate of the value of that element if it were sold individually; the ratio of these values is then used to calculate a fair value for each element. The value of revenue recognised during the year is also dependent on estimates of work to completion, as with long-term contracts. Were the proportion of work completed to total work to be performed to differ by 5% from management's estimates, the amount of revenue recognised would increase/decrease by £29,000.

Carrying amount of non-current assets

Where there is an indication of impairment, a review of the carrying values of non-current assets is undertaken as follows:

- Intangible non-current assets, including goodwill, are estimated on the basis of value in use

The value is calculated from the present value of future cash flows expected to be derived from the asset under review. The key elements of estimation are the calculation of future cash flows. For intangible assets, future cash flows are forecast revenues from the associated cash-generating unit. Further estimation is made in determining an appropriate discount rate that reflects the specific risks associated with the asset or cash-generating unit. See notes 9 and 10 for further details of assumptions made and sensitivity testing regarding goodwill and intangible assets.

Share options

Share-based payments are valued using the Black Scholes valuation model. Estimates are made in expected volatility and the risk-free rate. Where appropriate, management uses historical market data as a basis for estimating the fair value of share options on grant. Increasing the risk-free rate by 2% and increasing the volatility window in the calculation of volatility from 5 days to 30 days made no material difference to the valuation of share options issued during the year.

2. Segment reporting

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focusses on the types of goods and services delivered or provided. The Directors of the Company have chosen to organise the Group around differences in products and services. Operating segments with similar characteristics, and where segments are similar in respect of the nature of the products and services, the nature of the production processes, the type of customer and where they have similar methods of distribution, have been aggregated into a single operating segment.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

- Products (Including Geophysical Data, Globe, Regional Reports and Software revenues)
- Services (Including Government Advisory Services, Geoscience Services and Geospatial Solutions revenues)
- The sources of income included in 'other segments' are other miscellaneous income

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

2 Segment reporting cont.

2.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	2020		2019	
	Revenue £'000	Profit £'000	Revenue £'000	Profit £'000
Products	2,602	1,862	4,324	3,299
Services	961	20	1,636	128
Other	—	—	98	98
Total revenue/profit before exceptional items	3,563	1,882	6,058	3,525
Central administrative costs		(3,551)		(3,809)
Exceptional cost of sales		—		325
Exceptional administrative costs		(115)		(3,132)
Fair value gains and losses		10		—
Net finance costs		(44)		(50)
Profit before tax		(1,818)		(3,141)

The segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales.

The accounting policies of the reportable segments are the same as in the Group's accounting policies described in Note 1. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs, restructure costs or finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Assets and liabilities are not reported to the chief operating decision maker by segment.

2.2 Revenue and assets by geographical markets

In the following table, revenue and non-current assets are disaggregated by geographical market.

	2020		2019	
	Revenue £'000	Non-current assets £'000	Revenue £'000	Non-current assets £'000
United Kingdom	391	7,626	965	6,873
Rest of Europe	677	—	851	—
Americas	1,229	257	2,580	243
Asia-Pacific	1,170	—	1,041	—
Africa	96	—	621	—
Total revenue/non-current assets	3,563	7,883	6,058	7,116

Within revenue there were no sales to a single customer exceeding 10% of turnover (2019: £816,000).

2 Segment reporting cont.

2.3 Revenue from contracts with customers

Revenue by timing of recognition

In the following table, revenue is disaggregated by timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's two reportable segments.

	Products		Services		Total	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
At a point in time	476	2,412	—	—	476	2,412
Over time	2,126	1,962	962	1,636	3,087	3,598
Other	—	—	—	—	—	48
Total revenue	2,602	4,374	962	1,636	3,563	6,058

3 Operating (loss)/profit

The operating (loss)/profit for the year is stated after charging/(crediting):

	2020 £'000	2019 £'000
Depreciation of property, plant and equipment	214	216
Amortisation of intangible assets	960	940
Exceptional impairment of goodwill	—	3,132
Exceptional impairment of intangible assets	—	621
Exceptional adjustment to direct cost accruals	—	(946)
Exceptional restructure costs	115	—
Remuneration receivable by the Group's auditor for services:		
– the auditing of the accounts	62	45
– audit related services	6	6
Foreign exchange movement	10	—
Share-based payments charge	31	59
Research and development costs expensed as incurred	502	628

The above charges and credits are included in 'Cost of sales' and 'Administrative costs' in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

4 Directors and employees

4.1 Number of employees

The average monthly number of employees, including Executive Directors, employed by the Group was:

	2020 Number	2019 Number
Directors	3	3
Administration	14	16
Technical	46	47
	63	66

4.2 Staff costs

Staff costs in respect of those employees were as follows:

	2020 £'000	2019 £'000
Salaries	3,003	3,485
Government grants received	(163)	—
Social security costs	384	382
Other pension costs	327	232
Share-based payment charge	31	59
	3,583	4,158

A proportion of the Group's staff costs shown above are capitalised as additions to intangible assets – development costs in accordance with the Group's accounting policies.

In April 2020 Getech took significant cost saving measures to manage the Group's exposure to the uncertainties of the Covid business environment. As a part of this, all staff agreed to temporary salary reductions, from 1 May 2020. Staff pay reductions ranged between 15% and c8%, with salaries for the majority of staff reduced by c8%. These reductions remain in place.

4.3 Directors' remuneration

Directors' remuneration for the year ended 31 December 2020 was as follows:

	Salary/Fees £'000	Pension contributions £'000	Benefits in kind £'000	Total before share options £'000	Share options £'000
Executive Directors					
Dr Jonathan Copus	234	13	1	248	3
Chris Jepps	141	8	1	150	3
Andrew Darbyshire	99	15	—	114	3
Non-executive Directors					
Dr Alison Fielding	19	—	—	19	—
Dr Stuart Paton	37	—	—	37	—
Peter Stephens	19	—	—	19	—
Chris Flavell	19	—	—	19	—
	568	36	2	606	9

In April 2020 Getech took significant cost saving measures to manage the Group's exposure to the uncertainties of the Covid business environment. As a part of this, all staff agreed to temporary salary reductions, from 1 May 2020. Getech's Board agreed to a temporary 20% salary and fee reduction. This reduction remains in place.

4 Directors and employees cont.

4.3 Directors' remuneration cont.

Director's remuneration for the year ended 31 December 2019 was as follows:

	Salary/Fees £'000	Pension contributions £'000	Benefits in kind £'000	Total before share options £'000	Share options £'000
Executive Directors					
Dr Jonathan Copus	263	13	—	276	15
Chris Jepps	158	8	—	166	8
Andrew Darbyshire	120	6	—	126	8
Non-executive Directors					
Dr Alison Fielding ¹	21	—	—	21	—
Dr Stuart Paton	42	—	—	42	—
Peter Stephens ²	21	—	—	21	—
Chris Flavell ³	21	—	—	21	—
	646	27	—	673	31

1 For the period to 31 March 2019 Directors' fees for Alison Fielding were paid to IP Group plc, a company of which she was a consultant, subsequent fees were paid through payroll.

2 For the period to 31 March 2019 Directors' fees for Peter Stephens were paid to Noon & Co Limited, a company for which he is a Director, subsequent fees were paid through payroll.

3 For the period to 31 March 2019 Directors' fees for Chris Flavell were paid to TantlonGeo Limited, a company of which he is a Director, subsequent fees were paid through payroll.

4.4 Directors' share options

		Number of shares				
Date granted	Exercise period	Option price	31 Dec 2019	Granted	Lapsed	31 Dec 2020
Dr Jonathan Copus						
2 Aug 2016	2 Aug 2017 – 2 Aug 2026	24.50p	500,000	—	—	500,000
2 Aug 2016	2 Aug 2018 – 2 Aug 2026	24.50p	500,000	—	—	500,000
2 Aug 2016	2 Aug 2019 – 2 Aug 2026	24.50p	400,000	—	—	400,000
20 Nov 2018	2 Aug 2019 – 19 Nov 2028	35.00p	100,000	—	—	100,000
20 Nov 2018	20 Nov 2019 – 19 Nov 2028	35.00p	125,000	—	—	125,000
20 Nov 2018	20 Nov 2020 – 19 Nov 2028	35.00p	125,000	—	—	125,000
Chris Jepps						
20 Nov 2018	20 Nov 2019 – 19 Nov 2028	35.00p	125,000	—	—	125,000
20 Nov 2018	20 Nov 2020 – 19 Nov 2028	35.00p	125,000	—	—	125,000
Andrew Darbyshire						
20 Nov 2018	20 Nov 2019 – 19 Nov 2028	35.00p	125,000	—	—	125,000
20 Nov 2018	20 Nov 2020 – 19 Nov 2028	35.00p	125,000	—	—	125,000
Dr Stuart Paton						
27 Apr 2011	27 Apr 2011 – 27 Apr 2021	17.50p	300,000	—	—	300,000
27 Apr 2011	27 Apr 2012 – 27 Apr 2021	17.50p	200,000	—	—	200,000
27 Apr 2011	27 Apr 2013 – 27 Apr 2021	17.50p	200,000	—	—	200,000
27 Apr 2011	27 Apr 2014 – 27 Apr 2021	17.50p	200,000	—	—	200,000
Peter Stephens						
24 Dec 2010	24 Dec 2012 – 24 Dec 2020	15.00p	41,490	—	(41,490)	—

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

4 Directors and employees cont.

4.4 Directors' share options cont.

The market price of the shares at the end of the financial year was 12.75p and the range of market prices during the year was between 9.5p and 26.50p.

After the year-end, the board granted a one-year extension to Dr Stuart Paton's share options by way of issuing identical options to those above except for an exercise period of one year.

Full share-based payment disclosures are provided in Note 19.

5 Finance income

	2020 £'000	2019 £'000
Interest on bank deposits	1	14

6 Finance costs

	2020 £'000	2019 £'000
Interest on borrowings	24	36
Interest on leases	21	28
	45	64

7 Income tax

7.1 Analysis of income tax credit

	2020 £'000	2019 £'000
Current tax		
Current year	(192)	(38)
Prior year	(46)	5
Foreign taxation	13	54
Total current tax	(225)	21
Deferred tax		
Current year	50	(19)
Prior year	1	(55)
Total deferred tax	51	(73)
Total tax credit	(174)	(53)

7 Income tax cont.

7.2 Factors affecting the tax credit for the year

The tax rate applied to profit on ordinary activities in preparing the reconciliation below is the UK corporation tax rate applicable to the Group's profits. The difference between the total credit shown above and the amount calculated by applying the standard rate of UK corporation tax of 19% (2019: 19%) to the consolidated profit before tax is as follows:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	(1,818)	(3,091)
Tax at UK corporation tax rate of 19% (2019: 19%)	(345)	(587)
Effects of:		
Fixed asset differences	7	7
Expenses not deductible for tax purposes	31	27
Non-taxable fair value gains	(2)	—
Impairment of goodwill	—	595
Impairment of intangible assets	—	118
Research and development enhanced expenditure	(188)	(221)
Surrender of tax losses for R&D tax credit refund	59	12
Movement in deferred tax not recognised	282	22
Remeasurement of deferred tax for changes in tax rates	(7)	—
Foreign tax charges	13	54
Adjustment for tax computation in foreign jurisdictions	17	(41)
Foreign exchange adjustments	6	6
Other differences	(2)	5
Adjustment to tax charge in respect of prior years	(45)	(50)
Group tax credit for the year	(174)	(53)

7.3 Deferred tax

The movement on the deferred tax asset and deferred tax liability in the year is shown below:

	2020 £'000	2019 £'000
Deferred tax asset		
Asset at 1 January	346	305
Asset transferred to liability	62	—
Share-based payments	13	4
Tax losses	(30)	(18)
Post employment benefits	1	—
Exchange differences	—	(6)
Foreign tax jurisdictions	(28)	61
Asset at 31 December	364	346

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

7 Income tax cont.

7.3 Deferred tax cont.

	2020 £'000	2019 £'000
Deferred tax liability		
Liability at 1 January	109	137
Asset transferred to liability	62	—
Accelerated capital allowances	8	1
Intangible assets on capitalised development costs	(7)	(17)
Intangible assets acquired in business combinations	(2)	(17)
Intangible assets on foreign subsidiaries	—	—
Exchange differences	6	5
Liability at 31 December	176	109
	2020 £'000	2019 £'000
Analysis of deferred tax balances by category		
Share-based payments	52	39
Accelerated capital allowances	(100)	(92)
Foreign tax jurisdictions	33	55
Intangible assets of foreign subsidiary company	(11)	(11)
Tax losses	271	311
Intangible assets on capitalised development costs	(65)	(72)
Provisions	3	3
Post-employment benefits	5	4
Net deferred tax asset	188	237

The deferred tax asset in respect of the UK company is calculated at 19% (2019: 17%) in light of the future tax rates announced. On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes had not been substantively enacted at the balance sheet date and therefore no adjustment has been made to deferred taxation balances to account for this change.

The deferred tax asset in respect of foreign tax jurisdictions arises as a result of future capital allowances available following the part-payment of the deferred consideration for the acquisition of assets from Lisle Gravity Inc. in an earlier period. These will be relieved against profits of the foreign subsidiary.

The deferred tax asset in respect of tax losses arises as a result of losses incurred by the Group after 1 April 2017. The Group is expected to generate future taxable profits, which these losses will be set against in the next five years. The trading losses carried forward have no expiry date.

Losses incurred by the Group for which no deferred tax asset has been recognised amount to £1,902,000 (2019: £137,000).

8 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding plus the weighted average number of shares that would be issued on conversion of all the dilutive share options into ordinary shares.

	2020 £'000	2019 £'000
Loss attributable to equity holders of the parent	(1,644)	(3,088)
Loss attributable to equity holders of the parent adjusted for dilution	(1,644)	(3,088)
	2020 Thousands	2019 Thousands
Weighted average number of ordinary shares for basic EPS	37,564	37,564
Effects of dilution from share options	588	979
Weighted average number of ordinary shares adjusted for dilution	38,151	38,543
There has been no dilution of EPS during 2020 or 2019 due to losses after tax.		
	2020 pence	2019 pence
Basic EPS	(4.38)	(8.22)
Diluted EPS	(4.38)	(8.22)

After the year-end, the board granted a one-year extension to the 900,000 share options with expiry date of 27 April 2021 by way of issuing identical options to those above except for an exercise period of one year.

On 30 March 2021, shareholders approved the issue of 29,303,065 ordinary shares at a premium of 22p. As at 1 April 2021, there were 66,866,680 shares in issue, called up and fully paid.

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

9 Goodwill

	Goodwill £'000
Cost	
At 1 January 2019 and 1 January 2020	3,428
Additions	—
At 31 December 2020	3,428
Accumulated impairment losses/amortisation	
At 1 January 2019	—
Impairment losses for the year	3,132
At 1 January 2020 and 31 December 2020	3,132
Carrying amount	
At 31 December 2020	296
At 1 January 2020	296
At 1 January 2019	3,428

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Group's cash-generating units are listed below, detailing the goodwill and intangible assets allocated to each:

	2020			2019		
	Goodwill £'000	Intangible assets £'000	Property, plant and equipment £'000	Goodwill £'000	Intangible assets £'000	Property, plant and equipment £'000
Geoscience products and services	—	3,135	1,177	—	3,110	1,259
Geospatial products and services	296	314	887	296	380	949
Other	—	60	652	—	78	698
Total	296	3,509	2,716	296	3,568	2,906

Property, plant and equipment assets have been apportioned to their respective CGUs, weighted by employee headcount.

The recoverable amount was determined based on value in use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives. The present value of the expected cash flows is determined by applying a suitable discount rate reflecting the current market assessments of the time value of money and risks specific to the cash-generating unit.

The recoverable amount is set out below:

	2020 £'000	2019 £'000
Geoscience products and services	8,274	10,619
Geospatial products and services	10,160	8,834
Total	18,434	19,453

9 Goodwill cont.

In extrapolating future cash flows, long-term industry growth has been modelled at an annual rate of 2%, together with a 2% rate of inflation on costs annually.

Sales volumes over the five-year period are based on past performance and management's expectations of a market recovery staggered over that period, reflected by 5% year-on-year growth, no additional growth has been factored in beyond this five-year period.

The discount rate applied of 7.7% takes into consideration the industry-wide risks as well as those specific to the Group's operating segment.

Sensitivity analysis is carried out on all budgets, strategic plans and discount rates used in the calculations. The cash flow model is sensitive to short-term market recovery and discount rate used. An increase of the discount rate by 3% reduces the calculated recoverable amount by £4.5m, a reduction in short-term market recovery from 5% to 3% reduces the calculated recoverable amount by £2.6m.

10 Intangible assets

	Customer relationships £'000	Software development £'000	Development costs £'000	Reports £'000	Data holdings £'000	Other intangibles £'000	Total £'000
Cost							
At 1 January 2019	877	462	3,898	1,509	1,728	29	8,503
Additions	—	—	1,108	—	—	5	1,113
Exchange differences	—	—	—	—	(58)	—	(58)
At 31 December 2019	877	462	5,006	1,509	1,670	34	9,558
Additions	—	—	902	—	—	—	902
Exchange differences	—	—	—	—	(54)	—	(54)
At 31 December 2020	877	462	5,908	1,509	1,616	34	10,406
Amortisation and impairment							
At 1 January 2019	447	235	1,283	856	1,635	29	4,485
Amortisation charge	38	92	760	32	16	2	940
Impairment charge	—	—	—	621	—	—	621
Exchange differences	—	—	—	—	(56)	—	(56)
At 31 December 2019	485	327	2,043	1,509	1,595	31	5,990
Amortisation charge	38	92	813	—	15	2	960
Exchange differences	—	—	—	—	(52)	—	(52)
At 31 December 2020	523	419	2,856	1,509	1,558	32	6,898
Carrying amount							
At 31 December 2020	354	43	3,052	—	58	2	3,509
At 31 December 2019	392	135	2,963	—	75	3	3,568
At 1 January 2019	430	227	2,615	653	93	—	4,018

Amortisation charges are included in 'Administrative costs' in the consolidated statement of comprehensive income. Included in development costs are completed phases of product development that are being amortised. The total cost of these products is £5,682,000 and they carry a net book value of £2,891,000.

Details of the Group's impairment reviews of intangible assets are detailed in note 9.

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

11 Property, plant and equipment

	Freehold land and buildings £'000	Right-of-use assets £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 January 2019	2,798	641	1,126	4,565
Additions	—	—	30	30
Disposals	—	—	(1)	(1)
Exchange differences	—	—	7	7
At 31 December 2019	2,798	641	1,162	4,601
Additions	—	—	24	24
Disposal	—	—	(212)	(212)
Exchange differences	—	—	(1)	(1)
At 31 December 2020	2,798	641	973	4,412
Depreciation				
At 1 January 2019	410	34	1,035	1,479
Charge for the period	36	128	52	216
Disposals	—	—	(1)	(1)
Exchange differences	—	—	1	1
At 31 December 2019	446	162	1,087	1,695
Charge for the period	36	128	50	214
Depreciation on disposals	—	—	(212)	(212)
Exchange differences	—	—	(1)	(1)
At 31 December 2020	482	290	924	1,696
Carrying amount				
At 31 December 2020	2,316	350	49	2,716
At 31 December 2019	2,352	479	75	2,906
At 1 January 2019	2,388	607	91	3,086

The carrying amount of freehold land not subject to depreciation amounted to £1,000,000 (2019: £1,000,000).

The Group continues to explore the future sale of Kitson House. The requirements of IFRS 5 have been reviewed and based on the expected timeframe for disposal it is considered appropriate to continue to classify the land and buildings as a non-current asset rather than an asset held for sale.

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

12 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	619	763
Fair value through profit and loss derivatives	10	—
Other receivables	150	42
Prepayments	337	291
Accrued income	237	898
	1,353	1,994

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

Expected credit losses – trade receivables

The Group's trade receivables have been reviewed for expected credit losses. Provisions have been made amounting to £nil (2019: £nil). It is considered that the expected credit loss for receivables balances less than six months is £nil. The carrying value for trade and other receivables is stated after the following allowance for credit losses:

	2020 £'000	2019 £'000
Allowance for credit losses at 1 January	—	283
Loss allowances charged	—	—
Loss allowances reversed	—	(283)
Allowance for credit losses at 31 December	—	—

The expected credit loss for trade receivables as at 31 December 2020 was determined as follows:

	Current	Less than 3 months	Less than 6 months	More than 6 months	Total
Expected credit loss rate	0%	0%	0%	0%	—
Gross carrying amount	316	119	31	153	619
Lifetime expected credit loss	—	—	—	—	—

The expected credit loss for trade receivables as at 31 December 2019 was determined as follows:

	Current	Less than 3 months	Less than 6 months	More than 6 months	Total
Expected credit loss rate	0%	0%	0%	0%	—
Gross carrying amount	527	233	—	—	763
Lifetime expected credit loss	—	—	—	—	—

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

12 Trade and other receivables cont.

Expected credit losses – other receivables

Included within other receivables are gross receivables from H2 Green Limited (“H2 Green”), a company in which the Group holds an option to acquire 100% of the ordinary share capital of. This option was exercised in March 2021, as described in note 25. As part of this option agreement, the Group provided working capital facilities to H2 Green in the form of amounts advanced prior to the year end of £54,000 (2019: £nil), and maximum committed loans to be advanced in January 2021 of £20,000 (2019: £nil). In the event that the option is exercised all such loans are waived as part of the terms of the acquisition of H2 Green.

The Directors, when performing the fair value exercise on the option, have determined that the Group has an implied associated expected credit loss under IFRS 9 in respect of these loans and loan commitments of 95.2%, which is presented as follows:

	Gross receivable/ commitment £'000	Expected credit loss £'000	Net receivable/ commitment £'000
Other receivables	54	(51)	3
Loan commitment	(19)	—	(19)

The loan commitment is presented as an other payable in note 15.

Option to purchase

The option associated with the purchase of H2 Green and described above is designated as a fair value through profit and loss derivative, as required by IFRS 9. The option was entered into in November 2020, alongside the loan commitment; as at 31 December 2020 the underlying value of the option has been calculated to have increased by £9,524.

13 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	2,192	3,554

14 Borrowings

The bank loan carries a variable interest rate of 2.75% above bank base rate and is repayable in monthly instalments over a 60-month term. The loan is secured by land and buildings owned by the Parent Company, with a current carrying value of £2,316,000 (2019: £2,352,000).

Borrowings are presented as £85,000 due in less than one year, and £750,000 due in more than one year.

15 Trade and other payables

15.1 Trade and other payables due within one year

	2020 £'000	2019 £'000
Trade payables	549	778
Social security and other taxes	78	101
Other payables	42	28
Accruals	162	138
Deferred income	387	507
Lease liabilities	148	145
	1,366	1,697

All deferred revenue is expected to be recognised as revenue within one year. Revenue recognised in the year that was included in opening deferred income amounted to £507,000.

Other payables includes £19,000 of expected credit losses on loan commitments entered into, as further described in note 12.

15.2 Trade and other payables due after more than one year

	2020 £'000	2019 £'000
Lease liabilities	257	396
Dilapidation provisions	25	25
	282	421

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

The lease liabilities relate to long-term property leases.

16 Financial instruments

The Group is exposed to financial risks. The Group's risk management is co-ordinated by its Directors who focus actively on securing the Group's short to medium-term cash flows through regular reviews of the operating activity of the business.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

16.1 Foreign currency risk

Exposure to currency exchange rates arises from the Group's overseas sales and purchases, most of which are denominated in US dollars and some of which are denominated in euros. Assets and liabilities denominated in US dollars and euros give rise to foreign exchange exposures at the end of the reporting period.

To mitigate the Group's exposure to foreign currency risk, exchange rates are monitored and the timing of settling invoices, where sales and purchases are made in currencies other than pound sterling, is matched as far as possible. Furthermore, there is no systematic exposure to exchange rates because selling prices are not fixed in currencies other than sterling.

The Group has a US-based subsidiary whose net assets are exposed to foreign currency translation risk. With no matching borrowings denominated in US dollars, it is the Group's policy not to hedge against this translation exposure.

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

16 Financial instruments cont.

16.1 Foreign currency risk cont.

The Group had short-term exposure to the US dollar and the euro at 31 December 2020. The following table illustrates the sensitivity of the net result for the year with regard to the Group's financial assets and financial liabilities. It assumes a +/-10% change in the US dollar and the euro exchange rates for the period ended 31 December 2020. Sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period.

If pound sterling had strengthened or weakened against the US dollar and the euro by 10%, this would have had the following impact:

	2020		2019	
	+10% £'000	-10% £'000	+10% £'000	-10% £'000
Reported profit/(loss) before tax	(1,544)	(1,544)	(3,141)	(3,141)
Sensitivity to movement in currency exchange rates:				
US dollar	(26)	29	(8)	9
Euro	(3)	4	(20)	22
(Loss)/profit before tax	(1,573)	1,511	(3,169)	(3,110)

Exposures to foreign exchange rates vary during the year depending on the value of overseas transactions. Nonetheless, the analysis above is considered to be representative of Getech's exposure to currency risk.

There is no effect on equity in respect of currency exchange rate sensitivity.

The Group's actual currency exposures at the end of the reporting period were as follows:

	2020 £'000	2019 £'000
Denominated in US dollars		
Financial assets	471	734
Financial liabilities	(68)	(147)
Net exposure	403	587
Denominated in euros		
Financial assets	36	227
Financial liabilities	(3)	(8)
Net exposure	36	219

16 Financial instruments cont.

16.2 Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of its financial assets at the end of the reporting period, as summarised below:

	2020 £'000	2019 £'000
Classes of financial assets – carrying amounts		
Trade and other receivables	1,016	1,703
Cash and cash equivalents	2,192	3,554
	3,208	5,257

In respect of trade and other receivables that are not impaired, the Group is not exposed to any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Group's customers are generally major energy and natural resource companies with whom the Group has strong trading relationships with no recent history of default. The Group continually monitors its trade receivables and incorporates this information into its credit risk controls.

Trade receivables are stated on the basis of factors such as historical trends, age of debts and debt specific information. Details of amounts past due but not impaired are set out in Note 12. The credit risk for liquid funds is considered negligible since counterparties are reputable banks with high-quality external credit ratings.

The Group does not hold any collateral as security.

16.3 Interest rate risk

At 31 December 2020 the Group had cash subject to variable rates of £2,192,000 (2019: £3,554,000) and borrowings subject to variable rates of £834,000 (2019: £854,000). There is no other material interest rate risk.

To mitigate the Group's exposure to interest rate risk, market rates are monitored.

The following table illustrates the sensitivity of the profit before tax for the year to a reasonably possible change in interest rates of +/-1% with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's financial instruments held at the end of each reporting period. All other variables are held constant.

	2020		2019	
	+1% £'000	-1% £'000	+1% £'000	-1% £'000
Reported (loss)/profit before tax	(1,544)	(1,544)	(3,141)	(3,141)
Sensitivity to changes in interest rates	1	(1)	11	(11)
(Loss)/profit before tax	(1,543)	(1,545)	(3,130)	(3,152)

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

16 Financial instruments cont.

16.4 Capital and liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled cash outflows and anticipated cash inflows. Having regard to modest visibility of sales, the cash forecasts are regularly reviewed and cover alternative income scenarios.

The contractual maturity of the Group's financial liabilities at the end of the reporting period was as follows:

	Within one year £'000	In one to two years £'000	In two to five years £'000	2020 £'000
Trade and other payables – held at amortised cost	734	—	—	734
Trade and other payables – held at FVPL	19	—	—	19
Borrowings – held at amortised cost	85	113	636	834
	838	644	636	1,587

* Excludes expected credit losses arising on loan commitments

	Within one year £'000	In one to two years £'000	In two to five years £'000	2019 £'000
Trade and other payables – held at amortised cost	1,045	—	—	1,045
Borrowings – held at amortised cost	78	78	698	854
	1,123	78	698	1,899

Summary of the Group's financial assets and liabilities as defined in IFRS 9 'Financial Instruments: Recognition and Measurement'

	2020 £'000	2019 £'000
Debt instruments measured at amortised cost		
Trade and other receivables	1,006	1,703
Cash and cash equivalents	2,192	3,554
	3,198	5,257
Equity instruments measured at fair value through profit and loss		
Trade and other receivables	10	—
	10	—
Current liabilities measured at amortised cost		
Borrowings	(85)	(78)
Trade and other payables	(734)	(1,045)
	(819)	(1,123)
Current liabilities measured at fair value through profit and loss		
Trade and other payables	(19)	—
	(19)	—
Non-current financial liabilities measured at amortised cost		
Borrowings	(750)	(776)
	(750)	(776)
Net financial assets and liabilities	1,620	3,358

The Directors consider that the fair value of financial assets and liabilities equates to the carrying value for both 2020 and 2019.

17 Capital management policies and procedures

The Group's capital management objectives are as follows:

- To ensure the Group's ability to continue as a going concern
- To provide an adequate return to shareholders

These objectives are maintained by pricing products and services commensurately with the level of risk and by exercising a policy of progressive dividends as appropriate.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position. Capital for the reporting period under review is set out below:

	2020 £'000	2019 £'000
Total equity	8,049	9,719
Less: cash and cash equivalents	(2,192)	(3,554)
	5,857	6,165

In order to achieve the Group's objectives in capital management, the goal is to maintain adequate capital with the minimum amount of appropriate borrowing. The Group has met its stated objectives for the year.

18 Share capital

	2020 £'000	2019 £'000
Authorised		
90,000,000 Ordinary Shares of £0.0025 each (2019: 90,000,000)	225	225
Issued, called up and fully paid		
37,563,615 Ordinary Shares of £0.0025 each (2019: 37,563,615)	94	94
	2020 Number	2019 Number
Shares issued, called up and fully paid		
Balance brought forward	37,563,615	37,563,615
Shares issued under share-based payments	—	—
Balance carried forward	37,563,615	37,563,615

Each share issued has the same right to receive dividends and the repayment of capital and represents one vote at the shareholders' meeting of the Group.

Subsequent to the year-end, additional shares were issued relating to an equity fund raise and the acquisition of H2 Green. At the date of this report, there were 66,866,680 shares issued, called up and fully paid. As a result, Getech's share capital issued, called up and fully paid increased to £167,000 and share premium account increased to £8,885,000.

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

19 Share-based payments

At 31 December 2020, the Group operated an approved Enterprise Management Incentive (EMI) share scheme and an Unapproved Options scheme. Under the share options plans, the Directors can grant options over shares in the Company to employees, subject to approval from the Remuneration Committee. Options are granted with a fixed exercise price and the contractual life of an option of 10 years. Options will become exercisable on the second anniversary of the date of grant. Exercise of an option is subject to continued employment.

At 31 December 2020, rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

EMI share scheme

Exercise period	Number of shares				31 Dec 2020
	1 Jan 2020	Granted	Exercised	Lapsed	
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	27,549	—	—	(27,549)	—
Granted 13 December 2012, exercise price: 21.3p per share					
13 December 2014 – 12 December 2022	200,000	—	—	—	200,000
Granted 22 July 2014, exercise price: 48.0p per share					
22 July 2016 – 21 July 2024	280,000	—	—	—	280,000
Granted 2 August 2016, exercise price: 24.5p per share					
2 August 2017 – 1 August 2026	500,000	—	—	—	500,000
2 August 2018 – 1 August 2026	500,000	—	—	—	500,000
Granted 20 November 2018, exercise price: 35.0p per share					
20 November 2019 – 19 November 2028	500,000	—	—	—	500,000
20 November 2020 – 19 November 2028	500,000	—	—	—	500,000
Total EMI share scheme options	2,507,549	—	—	(27,549)	2,480,000

19 Share-based payments cont. Unapproved options scheme

Exercise period	Number of shares				31 Dec 2020
	1 Jan 2020	Granted	Exercised	Lapsed	
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	41,490	—	—	(41,490)	—
Granted 27 April 2011, exercise price: 17.5p per share					
27 April 2011 – 27 April 2021	300,000	—	—	—	300,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
Granted 2 August 2016, exercise price: 24.5p per share					
2 August 2019 – 1 August 2026	400,000	—	—	—	400,000
Granted 20 November 2018, exercise price: 35.0p per share					
2 August 2019 – 19 November 2028	100,000	—	—	—	100,000
20 November 2019 – 19 November 2028	125,000	—	—	—	125,000
20 November 2020 – 19 November 2028	125,000	—	—	—	125,000
Total unapproved options	1,691,490	—	—	(41,490)	1,650,000
Total EMI share scheme and unapproved options	4,199,039	—	—	(69,039)	4,130,000

	Weighted average exercise price	Number
Options outstanding at 31 December 2020	—	—
Options exercisable at 31 December 2020	27.8p	4,130,000
		4,130,000

After the year-end, the board granted a one-year extension to the 900,000 share options with expiry date of 27 April 2021 by way of issuing identical options to those above except for an exercise period of one year.

At 31 December 2019, rights to options over Ordinary Shares of the Parent Company were outstanding as follows:

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

19 Share-based payments cont.

EMI share scheme

Exercise period	Number of shares				31 Dec 2019
	1 Jan 2019	Granted	Exercised	Lapsed	
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	27,549	—	—	—	27,549
Granted 13 December 2012, exercise price: 21.3p per share					
13 December 2014 – 12 December 2022	200,000	—	—	—	200,000
Granted 22 July 2014, exercise price: 48.0p per share					
22 July 2016 – 21 July 2024	280,000	—	—	—	280,000
Granted 2 August 2016, exercise price: 24.5p per share					
2 August 2017 – 1 August 2026	500,000	—	—	—	500,000
2 August 2018 – 1 August 2026	500,000	—	—	—	500,000
Granted 20 November 2018, exercise price: 35.0p per share					
20 November 2019 – 19 November 2028	500,000	—	—	—	500,000
20 November 2020 – 19 November 2028	500,000	—	—	—	500,000
Total EMI share scheme options	2,507,549	—	—	—	2,507,549

Unapproved options scheme

Exercise period	Number of shares				31 Dec 2019
	1 Jan 2019	Granted	Exercised	Lapsed	
Granted 24 December 2010, exercise price: 15p per share					
24 December 2012 – 24 December 2020	41,490	—	—	—	41,490
Granted 27 April 2011, exercise price: 17.5p per share					
27 April 2011 – 27 April 2021	300,000	—	—	—	300,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
27 April 2012 – 27 April 2021	200,000	—	—	—	200,000
Granted 2 August 2016, exercise price: 24.5p per share					
2 August 2019 – 1 August 2026	400,000	—	—	—	400,000
Granted 20 November 2018, exercise price: 35.0p per share					
2 August 2019 – 19 November 2028	100,000	—	—	—	100,000
20 November 2019 – 19 November 2028	125,000	—	—	—	125,000
20 November 2020 – 19 November 2028	125,000	—	—	—	125,000
Total unapproved options	1,691,490	—	—	—	1,691,490
Total EMI share scheme and unapproved options	4,199,039	—	—	—	4,199,039

19 Share-based payments cont.

Unapproved options scheme cont.

	Weighted average exercise price	Number
Options outstanding at 31 December 2019	35.0p	625,000
Options exercisable at 31 December 2019	26.3p	3,574,039
		4,199,039

No share options were exercised during the year.

20 Financial commitments

20.1 Capital commitments

There were no capital commitments at 31 December 2020 (2019: £nil).

20.2 Guarantees

No guarantees have been given, or have been received, by the Group.

21 Related party transactions

During the year, members of key management as defined by IAS 24 'Related Party Disclosures (revised 2009)' included non-Directors and their compensation was as follows:

	2020 £'000	2019 £'000
Short-term employee benefits	673	771
Post-employment benefits	66	45
Share-based payments	15	47
	754	863

The remuneration of the Directors, who are all Directors of the Parent Company, is set out in Note 4.

The Directors did not receive dividends during the year.

During the period Getech made payments to Zinc Consultants Limited amounting to £11,000 (2019: £12,000) for recruitment services, a company of which Chris Flavell is a director. All transactions were conducted under standard commercial terms.

Getech loaned £3,000 to H2 Green Limited interest free, net of expected credit losses. The full amount was outstanding at the year end. Getech and H2 Green Limited have a non-executive director in common.

22 Ultimate controlling party

The Directors consider that there is no ultimate controlling party.

Notes to the Consolidated Financial Statements cont.

for the year ended 31 December 2020

23 Pensions

The Group currently operates a Group personal pension plan for the benefit of employees. The amount recognised as an expense is £327,000 (2019: £232,000).

24 Exceptional items

Exceptional (costs)/credits included in the income statement are detailed in the table below:

	Notes	2020 £'000	2019 £'000
Exceptional cost of sales			
Impairment of intangible assets	10	—	(621)
Adjustment to carrying value of direct cost accruals		—	946
		—	325
Exceptional administrative costs			
Restructuring costs		(115)	(197)
Impairment of goodwill	9	—	(3,132)
		(115)	(3,132)

The above table lists the exceptional items reported in the Consolidated Statement of Comprehensive Income.

In 2020 restructuring costs totalling £115,000 were classified as an exceptional administrative cost.

In 2019, classified as exceptional cost of sales, the impairment of intangible assets reduces the carrying value of Getech's inventory of reports to £653,000. Also classified as an exceptional cost of sale in 2019, a reduction to the carrying value of direct cost accruals, included in trade and other payables. The direct cost accruals credit results from updated information that became available during 2019 around the contractual liability position relating to previously accrued balances. Classified as an exceptional administrative cost in 2019, the impairment of goodwill relating to the acquisition of ERCL reduces the carrying value of total goodwill to £296,000. The remaining goodwill relates to the acquisition of Exprodat.

24 Post balance sheet events

In January 2021, Getech appointed Richard Bennett to the Board as Non-executive Chairman designate and Peter Stephens retired from his position as Non-executive Director. In April 2021, Richard assumed the position of Chairman, whilst Dr Stuart Paton stepped down from his Chairman position, Stuart remains on the Board for a period of knowledge transfer.

In February 2021, Getech completed an agreement to sub-lease its London office. The agreed terms pass all service charges and other costs to the lessor and largely the whole cost of the headline rent amount.

On 31 March 2021, Getech shareholders approved a share placing to raise £6.25m to fund Getech's programme of growth through diversification. At the same time, the Board approved the acquisition of H2 Green, total consideration is expected to be £1m paid through a combination of cash and issue of shares to the former owners of H2 Green. At the date of the acquisition, H2 Green had met the first two milestones of the sale and purchase agreement, resulting in up-front consideration of £250,000. Of this, £53,750 of the consideration was cash and the remainder by way of share issue. Total consideration is made up of a further two milestone payments totalling £250,000 and an earn-out clause with a maximum value of £500,000.

In May 2021, the Group appointed Michael Covington as Non-executive Director. Michael is audit chair designate and will take the position of audit chair after a period of hand-over with Alison Fielding.

Parent Company Statement of Financial Position

As at 31 December 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Intangible assets	3	2,782	2,722
Property, plant and equipment	4	2,695	2,863
Investments	5	1,760	1,760
		7,237	7,345
Current assets			
Trade and other receivables	7	1,194	1,588
Tax receivable		191	60
Cash and cash equivalents	8	1,119	2,681
		2,504	4,329
Total assets		9,741	11,674
Current liabilities			
Short-term borrowings	9	78	78
Trade and other payables	10	1,947	2,247
		2,025	2,325
Non-current liabilities			
Long-term borrowings	9	756	776
Trade and other payables	10	282	421
Deferred tax liabilities	6	84	95
		1,122	1,292
Total liabilities		3,147	3,617
Net assets		6,594	8,057
Share capital	11	94	94
Share premium		3,053	3,053
Merger reserve	11	—	—
Share-based payment (SBP) reserve		251	242
Retained earnings		3,196	4,668
Total equity		6,594	8,057

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income and related notes. The Company's loss for the year was £1,494,000 (2019: £4,765,000 loss).

The financial statements of Getech Group plc (company number: 02891368) were approved by the Board of Directors and authorised for issue on 4 June 2021.

Andrew Darbyshire

Chief Financial Officer

The accompanying accounting policies and notes form an integral part of these financial statements.

Parent Company Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Merger reserve £'000	SBP reserve £'000	Retained earnings £'000	Total equity £'000
1 January 2019	94	3,053	2,407	183	7,026	12,763
Loss for the year	—	—	—	—	(4,765)	(4,765)
Total comprehensive income	—	—	—	—	(4,765)	(4,765)
Transactions with owners:						
Transfer of merger reserve	—	—	(2,407)	—	2,407	—
Share-based payment charge	—	—	—	59	—	59
31 December 2019	94	3,053	—	242	4,668	8,057
Loss for the year	—	—	—	—	(1,494)	(1,494)
Total comprehensive income	—	—	—	—	(1,494)	(1,494)
Transactions with owners:						
Reserves transfer	—	—	—	(22)	22	—
Share-based payment charge	—	—	—	31	—	31
31 December 2020	94	3,053	—	251	3,196	6,594

Notes to the Parent Company's Financial Statements

For the year ended 31 December 2020

1 Accounting policies

1.1 Basis of preparation

The Company's 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 year unless otherwise stated.

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

1.2 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 balance sheet 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 within the Group
- Presentation of comparative reconciliations for property, plant and equipment and intangible assets
- Disclosure of key management personnel compensation
- Capital management disclosures
- Presentation of comparative reconciliation of the number of shares outstanding at the beginning and 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)

1.3 Revenue

The Company has adopted IFRS 15 and its principles. Revenue is measured by reference to the fair value of consideration received or receivable by the Company for products and services provided, excluding VAT and comparable overseas taxes. Typical invoice payment terms are 30 days for all categories of revenue.

Revenue from products and services falls into the three categories below:

Consultancy services

The Company provides various consulting services to its customers. Revenue from these services is recognised on a time-and-materials basis plus a margin as the services are provided. Customers are invoiced monthly as work progresses.

The Company also provides outsourcing services for a fixed fee for an agreed period. As the amount of work required to perform these services does not vary significantly from month-to-month, revenue is recognised on a straight-line basis over the term of the contract.

This revenue accounting policy is applicable to revenues from Geoscience and Geospatial Services.

Multiclient products

For sales of data and completed products, revenue is recognised when performance obligations have been satisfied, which is on dispatch unless otherwise agreed.

This revenue accounting policy is applicable for revenues from Geophysical Data, Globe and Regional Reports.

Licence revenue

Customers subscribe to Getech's Globe licences, usually over a 12-month term. The customer has the rights to all of the benefits provided by the product over the term of the licence, as such, revenue is recognised over the term of the licence at the fixed fee agreed in the customer contract. The balance of the revenue invoiced is deferred.

This revenue accounting policy is applicable for revenues from Globe licences.

1 Accounting policies cont.

1.3 Revenue cont.

Multiple element contracts

Where contracts for multiple element products with staged deliverables involve delivery of several different elements which are not fully delivered or performed by the year end, revenue is recognised based on the proportion of the fair value of the elements delivered to the fair value of the respective overall contracts. Where the outcome of contracts that are long term in nature and contracts for ongoing deliverables cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from multiple element contracts is recognised after separating the contract income as follows:

- Completed project elements and specific reports that are immediately deliverable – revenue is recognised when the performance obligations have been satisfied, which is on dispatch unless otherwise agreed
- Service elements of the contract – revenue is recognised in line with the accounting treatment for consultancy services
- Project elements that are to be delivered from development work that is yet to be completed – revenue is recognised when the performance obligations have been satisfied, which is on dispatch unless otherwise agreed

1.4 Foreign currency translation

Where supplies are obtained, or sales made on terms denominated in foreign currency, such transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Exchange gains or losses arising on the settlement or translation of monetary items are included in profit or loss from operations.

1.5 Share options

When share options are granted, a charge is made to the Parent Company's profit and loss account and a reserve is created to record the fair value of the awards in accordance with IFRS 2 'Share-based Payment'. A charge is recognised in the profit and loss account in relation to share options granted based on the fair value (the economic value) of the grant, measured at the grant date. The charge is spread over the vesting period. The valuation methodology takes into account assumptions and estimates of share price volatility, the future risk-free interest rate and exercise behaviour, and is based on the Black Scholes method. When share options are exercised, there is a transfer from the share option reserve to retained earnings.

At each balance sheet date, the Parent Company revises its estimate of the number of share options that are expected to vest, taking into account those that have lapsed or been cancelled. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to the share option reserve. If the terms and conditions of share options are modified before they vest, the change in the fair value of the share options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

1.6 Accounting for Government Support

Amounts receivable under the UK Government's Coronavirus Job Retention Scheme have been recognised in profit or loss on a systematic basis net of the expense for which the monies are intended to compensate, once any conditions related to the receipts are met.

1.7 Property, plant and equipment

Property, plant and equipment are carried at acquisition cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal instalments over their estimated useful economic lives at the following rates:

Freehold property	– 2% per annum on cost
Plant and equipment	– 33.3% and 25% per annum on cost

Material residual value and useful life estimates are updated as required, but at least annually. Freehold land is carried at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

No depreciation is provided on freehold land.

1 Accounting policies cont.

1.8 Investments

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

1.9 Intangible assets

Expenditure on development activities is capitalised if the product or process meets the recognition criteria for development expenditure as set out in IAS 38 'Intangible Assets'. The expenditure capitalised includes all directly attributable costs, from the date that the intangible asset meets the recognition criteria, necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

Development expenditure is identified as being capital in nature if the costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure not meeting these criteria is recognised in profit or loss as incurred. Once the asset is ready for use, the capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses. Intangible assets not yet ready for use are tested for impairment annually.

Residual values and useful lives are reviewed at each reporting date. In addition, intangible assets are subject to annual impairment reviews or a review whenever there is an indication of impairment.

The following useful lives are applied:

Development costs	– five to ten years
Reports	– ten years

Amortisation for Development costs is included within 'Administrative costs' and amortisation of Reports is included in 'Cost of sales'.

1.10 Income taxes

Current tax is the tax currently payable or receivable based on the taxable profit or loss for the year.

R&D expenditure credits are included as a credit in administrative expenses. Tax losses surrendered for R&D tax credit refunds are included in tax charges/credits on the consolidated statement of comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if the reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, except where they relate to items that are charged or credited directly to equity (in which case, the related deferred tax is also charged or credited directly to equity), or where they relate to items of other comprehensive income (in which case, they are recognised in other comprehensive income).

Notes to the Parent Company's Financial Statements cont.

for the year ended 31 December 2020

1 Accounting policies cont.

1.11 Equity

Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares
- 'Share premium account' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- 'Merger relief reserve' represents the premium on shares issued to acquire ERCL and Exprodat Consulting Limited
- 'Share option reserve' represents the fair value of share options in accordance with IFRS 2 'Share-based Payment'
- 'Retained earnings' represents retained profits

1.12 Significant areas of judgement and estimation uncertainty

In applying the above accounting policies, management has made appropriate estimates in key areas, and the actual outcomes may differ from those calculated.

Significant areas of judgement

The key sources of judgement at the end of the reporting period are as follows:

Control over H2 Green Limited ("H2 Green")

As described more fully in note 12, in November 2020 the Company entered into an option to acquire the entire ordinary share capital of H2 Green for initial consideration of £500,000 and contingent deferred consideration of up to £500,000, exercisable at the option of the Company. The option runs for a 9 month period. Concurrently to this the Company also entered into a loan commitment to provide up to £20,000 per month for up to 6 months (extendable by 3 months at mutual agreement), covering all working capital spending of H2 Green for the period. Getech retain the rights to terminate both agreements at any time, for any reason.

Control can take a number of forms and whilst this would usually include legal ownership of the shares, potential voting rights and other rights to direct operations or finances also form part of this judgement. The two agreements when taken together carry indicators of control for Getech, however on balance management have taken a view that this control is not so pervasive that control has been obtained prior to the year end. In addition, H2 Green is a start up business created to develop specific intellectual property, and so there is a secondary key judgement as to whether, at the date control may have been obtained, this represents a business as defined in IFRS 3.

Recognition of revenue from multiple element contracts

Management uses judgement in determining the fair value of multiple element contracts in order to appropriately recognise the revenue attributable to each element. The value of revenue recognised in the period is dependent on an assessment of work to completion.

Capitalisation of development costs

The capitalisation of development expenditure is dependent on the costs meeting the recognition criteria in accordance with IAS 38 'Intangible Assets'. In assessing the criteria, management makes judgements on the level of future economic benefits of the asset flowing to the Company. Management is assisted in making these judgements through the monitoring both of sales forecasts and of the level of future cost benefits arising.

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.

1 Accounting policies cont.

1.12 Significant areas of judgement and estimation uncertainty cont.

Significant areas of estimation uncertainty

The key sources of estimation uncertainty at the end of the reporting period are as follows:

Multiple element contracts

Management uses estimates in determining the fair value of individual elements of the multiple element contracts in order to appropriately recognise the revenue attributable to each element. A value is assigned to each element of the contract, based on an estimate of the value of that element if it were sold individually; the ratio of these values is then used to calculate a fair value for each element. The value of revenue recognised during the year is also dependent on estimates of work to completion, as with long-term contracts. Were the proportion of work completed to total work to be performed to differ by 5% from management's estimates, the amount of revenue recognised would increase/decrease by £29,000.

Carrying amount of non-current assets

Where there is an indication of impairment, a review of the carrying values of non-current assets is undertaken as follows:

- Intangible non-current assets and investments are estimated on the basis of value in use

The value is calculated from the present value of future cash flows expected to be derived from the asset under review. The key elements of estimation are the calculation of future cash flows. For intangible assets and investments, future cash flows are forecast revenues from the associated asset or cash-generating unit. Further estimation is made in determining an appropriate discount rate that reflects the specific risks associated with the asset or cash-generating unit. See note 5 for further details of assumptions made and sensitivity testing regarding Investments.

Share options

Share-based payments are valued using the Black Scholes valuation model. Estimates are made in expected volatility and the risk-free rate. Where appropriate, management uses historical market data as a basis for estimating the fair value of share options on grant. Increasing the risk-free rate by 2% and increasing the volatility window in the calculation of volatility from 5 days to 30 days made no material difference to the valuation of share options issued during the year.

2 Employees

The employee benefit expenses during the year were as follows:

	2020 £'000	2019 £'000
Short-term employee benefits	2,134	2,661
Government grants received	(80)	—
Social security costs	239	285
Pension costs	241	120
Share-based payment charge	31	59
	2,565	3,125

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

	2020 £'000	2019 £'000
Directors	3	3
Administration	11	11
Technical	39	37
	53	51

Notes to the Parent Company's Financial Statements cont.

for the year ended 31 December 2020

3 Intangible assets

	Development costs £'000	Reports £'000	Other £'000	Total £'000
Cost				
At 1 January 2020	4,708	399	5	5,112
Additions	786	—	—	786
At 31 December 2020	5,494	399	5	5,898
Amortisation and impairment				
At 1 January 2020	1,989	399	2	2,390
Amortisation charge	724	—	2	726
At 31 December 2020	2,713	399	4	3,116
Net book value				
At 31 December 2020	2,781	—	1	2,782
At 1 January 2020	2,719	—	3	2,722

See note 9 of the Consolidated accounts for details of the company's impairment reviews.

4 Property, plant and equipment

	Freehold property £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000
Cost				
At 1 January 2020	2,798	1,026	641	4,465
Additions	—	21	—	21
Disposals	—	(212)	—	(212)
At 31 December 2020	2,798	835	641	4,274
Depreciation				
At 1 January 2020	445	995	162	1,602
Charge for the year	36	25	129	190
Depreciation on disposal	—	(212)	—	(212)
At 31 December 2020	481	808	291	1,580
Net book value				
At 31 December 2020	2,317	27	350	2,694
At 1 January 2020	2,353	31	479	2,863

The net book value of freehold land in the Parent Company, not subject to depreciation, amounted to £1,000,000 (2019: £1,000,000).

The Company continues to explore the future sale of Kitson House. The requirements of IFRS 5 have been reviewed and based on the expected timeframe for disposal it is considered appropriate to continue to classify the land and buildings as a non-current asset rather than an asset held for sale.

5 Investments

	Subsidiary undertakings £'000	Total £'000
Gross carrying value		
At 1 January 2020	7,228	7,228
Additions	—	—
At 31 December 2020	7,228	7,228
Accumulated impairment		
At 1 January 2019	5,468	5,468
Charge for the year	—	—
At 31 December 2020	5,468	5,468
Net book value		
At 31 December 2020	1,760	1,760
At 1 January 2020	1,760	1,760

The Parent Company owns 100% equity interest in Geophysical Exploration Technology Inc. (trading as Getech Inc.), a company incorporated in the USA. The principal activity of Geophysical Exploration Technology Inc. is the marketing of gravity and magnetic data, services and geological evaluations. The cost of US\$10 capital stock was £1 and this has been written off in an earlier period. The results of Getech Inc. are included in the consolidated figures for the year.

The Parent Company owns 100% of the Ordinary Share capital in ERCL Limited, a company incorporated in England and Wales. The principal activity of ERCL is specialist international upstream oil and gas consultancy.

The Parent Company owns 100% of the Ordinary Share capital in Exprodat Consulting Limited, a company incorporated in England and Wales. The principal activity of Exprodat Consulting Limited is providing Geospatial and information management solutions to the energy and minerals industries.

The Parent Company holds an call option to acquire H2 Green Limited, a company incorporated in England and Wales. This call option is recognised within trade and other receivables at the year end. The principal activity of H2 Green is building and managing a network of Hydrogen Hubs across the UK.

On 31 March 2021 Getech exercised its option to acquire 100% of the share capital of H2 Green.

The investment in subsidiary undertakings has been tested for impairment and in the opinion of the Directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

In extrapolating future cash flows have been modelled with a 2% rate of inflation on costs and industry growth annually.

Sales volumes over the five-year period are based on past performance and management's expectations of a market recovery staggered over that period, reflected by 5% year-on-year growth; no additional growth has been factored in to the calculation of the assets terminal values.

The discount rate applied of 7.7% takes into consideration the industry-wide risks as well as those specific to the Company's operating segment.

Sensitivity analysis is carried out on all budgets, strategic plans and discount rates used in the calculations. The cash flow model is sensitive to short-term market recovery.

Notes to the Parent Company's Financial Statements cont.

for the year ended 31 December 2020

6 Deferred tax

The movement on the deferred tax liability in the year is shown below:

	2020 £'000	2019 £'000
Deferred tax liability		
Liability at 1 January	95	25
Accelerated capital allowances	11	2
Intangible assets on capitalised development costs	(5)	72
Post employment benefits	(1)	—
Tax losses	(3)	—
Share-based payments	(13)	(4)
Liability at 31 December	84	95
Analysis of deferred tax balances by category		
Share-based payments	(52)	(39)
Accelerated capital allowances	99	88
Tax losses	(24)	(21)
Post-employment benefits	(5)	(4)
Intangible assets on capitalised development costs	66	71
Net deferred tax (asset)/liability	84	95

The deferred tax asset in respect of the UK company is calculated at 19% (2019: 17%) in light of the future tax rates announced.

Tax losses not recognised as a deferred tax asset amounted to £946,000 (2019: £nil).

7 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	382	132
Amounts owed by Group undertakings	285	393
Fair value through profit and loss derivative	10	—
Other receivables	38	14
Prepayments and accrued income	479	1,049
	1,194	1,588

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 receivables have been reviewed for expected credit loss. Any credit loss against receivables was found to be immaterial. In addition, 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:

	2020 £'000	2019 £'000
Not more than three months	232	—
More than three months but not more than six months	—	—
More than six months but not more than one year	150	—
	382	—

Expected credit losses – other receivables

Included within other receivables are gross receivables from H2 Green Limited ("H2 Green"), a company in which the Group holds an option to acquire 100% of the ordinary share capital of. This option was exercised in March 2021, as described in note 25. As part of this option agreement, the Group provided working capital facilities to H2 Green in the form of debts advanced prior to the year end of £53,606 (2019: £nil), and maximum committed loans to be advanced in January 2021 of £20,000 (2019: £nil). In the event that the option is exercised all such loans are waived as part of the terms of the acquisition of H2 Green.

The Directors, when performing the fair value exercise on the option, have determined that the Group has an implied associated expected credit loss under IFRS 9 in respect of these loans and loan commitments of 95.2%, which is presented as follows:

	Gross receivable/ commitment £'000	Expected credit loss £'000	Net receivable/ commitment £'000
Other receivables	54	(51)	3
Loan commitment	—	(19)	(19)

The loan commitment is presented as an other payable in note 10.

Option to purchase

The option associated with the purchase of H2 Green and described above is designated as a fair value through profit and loss derivative, as required by IFRS 9. The option was entered into in November 2020, alongside the loan commitment; as at 31 December 2020 the underlying value of the option has been calculated to have increased by £9,524.

Notes to the Parent Company's Financial Statements cont.

for the year ended 31 December 2020

8 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	1,119	2,681

9 Borrowings

The bank loan carries a variable interest rate of 2.75% above bank base rate and is repayable in equal monthly instalments. The loan is secured by land and buildings owned by the Parent Company, with a current carrying value of £2,317,000 (2019: £2,353,000).

	Within one year £'000	In one to two years £'000	In two to five years £'000	2020 £'000
Borrowings – held at amortised cost	78	113	643	834

10 Trade and other payables

10.1 Trade and other payables due within one year

	2020 £'000	2019 £'000
Trade payables	486	673
Amounts owed to Group undertakings	1,032	1,120
Social security and other taxes	65	85
Other payables	38	26
Lease liabilities	148	145
Accruals and deferred income	178	198
	1,947	2,247

Other payables includes £19,000 of expected credit losses on loan commitments entered into, as described further in note 7.

10.2 Trade and other payables due after one year

	2020 £'000	2019 £'000
Lease liabilities	257	396
Dilapidation provisions	25	25
	282	421

The carrying amounts of trade and other payables are considered to be reasonable approximations to fair value. The lease liabilities relate to long-term property leases.

11 Share capital and equity

	2020 £'000	2019 £'000
Authorised 90,000,000 Ordinary Shares of 0.25p each (2019: 90,000,000)	225	225
Issued, called up and fully paid 37,563,615 Ordinary Shares of 0.25p each (2019: 37,562,415)	94	94

	2020 Number	2019 Number
Shares issued, called up and fully paid		
Balance brought forward	37,563,615	37,563,615
Balance carried forward	37,563,615	37,563,615

On 30 March 2021, shareholders approved the issue of 29,303,065 shares at a premium of 22p. These shares were subsequently called up and fully paid. As at 1 April 2021, there were 66,866,680 shares in issue, called up and fully paid.

12 Related party transactions

The remuneration of the Directors of the Parent Company is set out in Note 6 to the consolidated financial statements.

During the period Getech made payments to Zinc Consultants Limited amounting to £11,000 (2019: £12,000) for recruitment services, a company of which Chris Flavell is a director. All transactions were conducted under standard commercial terms.

Getech loaned £3,000 to H2 Green Limited interest free, net of expected credit losses. The full amount was outstanding at the year end. Getech and H2 Green Limited have a non-executive director in common.

The Directors consider that there is no ultimate controlling party.

13 Subsidiaries

Details of the Company's subsidiaries as at 31 December 2020 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% held directly	% held indirectly
Exprodat Consulting Limited ¹	England & Wales	Consultancy	Ordinary	100	—
ERCL Limited ¹	England & Wales	Consultancy	Ordinary	100	—
Geophysical Exploration Technology Inc ²	United States of America	Sales & Marketing agency	Ordinary	100	—

Getech Group Plc has provided, under s479C Companies Act 2006, a guarantee which permits its wholly-owned subsidiary ERCL Limited (company number 08743541, registered in England & Wales) to not obtain an audit of its individual financial statements for the year ended 31 December 2020.

It has also provided, under s479C Companies Act 2006, a guarantee which permits its wholly-owned subsidiary Exprodat Consulting Limited (company number 04371594, registered in England & Wales) to not obtain an audit of its individual financial statements for the year ended 31 December 2020.

The registered offices of the subsidiaries listed above are as follows:

¹ as the Company.

² 3000 Wilcrest Drive, Suite 155, Houston, TX 77042, USA.

Notice of Annual General Meeting

Notice is given that the twenty-seventh Annual General Meeting of Getech Group plc (hereafter referred to as the Company) will be held at DoubleTree – West End, 92 Southampton Row, London WC1B 4BH on 30 June 2021 at 12.00 noon to consider and, if thought fit, pass the resolutions below. Resolutions 10 and 11 will be proposed as special resolutions; all other resolutions will be proposed as ordinary resolutions.

Ordinary Business

To consider and, if thought fit, pass resolutions 1 to 7 as ordinary resolutions.

1. To receive the Report of the Directors, the Strategic Report and the audited accounts of the Company for the year ended 31 December 2020.
2. To re-elect Stuart Paton, in accordance with article 35 of the Company's Articles of Association, who offers himself for re-election as a Director of the Company.
3. To re-elect Jonathan Copus, in accordance with article 35 of the Company's Articles of Association, who offers himself for re-election as a Director of the Company.
4. To re-appoint Richard Bennett, who was appointed since the last Annual General Meeting, in accordance with article 30 of the Company's Articles of Association, as a Director of the Company.
5. To re-appoint Michael Covington, who was appointed since the last Annual General Meeting, in accordance with article 30 of the Company's Articles of Association, as a Director of the Company.
6. To re-appoint Grant Thornton UK LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the Directors to determine the auditor's remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions which in the case of resolutions 8 and 9 will be proposed as ordinary resolutions and in the case of resolutions 10 and 11 will be proposed as special resolutions.

In the subsequent resolutions, the following words and expressions shall have the following meanings:

- | | |
|---------------------------|---|
| 'Act' | – the Companies Act 2006 (as amended) |
| 'Latest Practicable Date' | – close of business on 3 June 2021 |
| 'Ordinary Shares' | – Ordinary Shares of 0.25p each in the capital of the Company |
| 'Rights' | – rights to subscribe for or to convert any security into shares in the Company |
8. To authorise the Board generally and unconditionally pursuant to Section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant Rights:
 - 8.1. up to an aggregate nominal amount of £55,165 (being approximately one-third of the issued share capital of the Company as at the Latest Practicable Date); and
 - 8.2. comprising equity securities (within the meaning of Section 560 of the Act) up to an aggregate nominal amount of £110,330 (after deducting from such amount any shares allotted under the authority conferred by virtue of resolution 8.1) in connection with or pursuant to a Rights Issue (as defined below), provided that:
 - a) such authorities shall expire on the earlier of either midnight on 30 September 2022 or the date of the next Annual General Meeting of the Company after the passing of this resolution unless varied, revoked or renewed by the Company in a general meeting (save that the Board may, before the expiry of the authorities granted by this resolution, make a further offer or agreement that would or might require shares to be allotted or Rights to be granted after such expiry and the Board may allot shares and grant Rights in pursuance of such an offer or agreement as if the authorities conferred by this resolution had not expired); and
 - b) the authorities granted by this resolution are in substitution for all previous authorities granted to the Directors to allot shares and grant Rights which (to the extent that they remain in force and unexercised) are revoked but without prejudice to any allotment or grant of Rights made or entered into prior to the date of this resolution 8.

Special Business cont.

For the purposes of this resolution 8, 'Rights Issue' means an offer or invitation to: i) holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date for such allotment, and ii) holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the Directors of the Company consider necessary, as permitted by the rights of those securities, to subscribe for further securities, but subject in both cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties that may arise under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever.

9. To authorise the Company to send or supply documents or information to members by making them available on a website or by electronic means.

Special Resolutions

10. To empower the Board (subject to the passing of resolution 8) pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred upon them by resolution 8 or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Act as if Section 561(1) and sub-sections (1)–(6) of Section 562 of the Act did not apply to any such allotment, provided that this power shall be limited to:

- 10.1. the allotment of equity securities in connection with or pursuant to a Rights Issue (as defined in resolution 8); and
- 10.2. the allotment (otherwise than pursuant to sub-paragraph 10.1 above) of equity securities up to an aggregate nominal value of £25,075 (being approximately 15% of the issued share capital of the Company as at the Latest Practicable Date),

and provided that the authorities given by resolution 10 shall expire on the earlier of either midnight on 30 September 2022 or the date of the next Annual General Meeting after the passing of this resolution, unless renewed or extended prior to such expiry, save that the Company may, before the expiry of any power contained in this resolution, make a further offer or agreement that would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the powers conferred by this resolution had not expired.

11. To authorise the Company generally and unconditionally for the purpose of Section 701 of the Act to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares provided that:
 - 11.1. the maximum aggregate number of Ordinary Shares authorised by this resolution to be purchased is 6,686,668 (representing 10% of the Company's issued share capital as at the Latest Practicable Date);
 - 11.2. the minimum price that may be paid for such Ordinary Shares is 0.25p per share (exclusive of expenses);
 - 11.3. the maximum price (exclusive of expenses) that may be paid for an Ordinary Share is the higher of a) 5% above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Ordinary Share is purchased and b) the higher of the price quoted for i) the last independent trade of or ii) the highest current independent bid for any number of Ordinary Shares on the trading venue where the purchase is carried out; and
 - 11.4. unless previously revoked or varied, the authority conferred by this resolution shall expire on the earlier of either midnight on 30 September 2022 or the date of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make a contract or contracts to purchase Ordinary Shares after such expiry as if the power conferred by this resolution had not expired.

By order of the Board

Andrew Darbyshire

Company Secretary
4 June 2021

Notes

The following notes explain your general rights as a shareholder to vote at this meeting (the **Meeting** or **AGM**) or to appoint someone else to vote on your behalf.

1. IMPORTANT NOTICE REGARDING THE COVID-19 PANDEMIC

The Company's clear preference with regard to the AGM would be for all shareholders to be able to attend in person if they so wish, particular having regard to the constraints faced in holding last year's annual general meeting and the general meeting held on 30 March 2021. However, as at the date of this Notice, and in light of the COVID-19 pandemic, the ability of the Company to hold an AGM which shareholders can attend in person remains subject to the restrictions set out in and pursuant to The Health Protection (Coronavirus, Restrictions) (Steps) (England) Regulations 2021 (the **COVID Roadmap Regulations**). In particular:

- Whilst shareholders are not prohibited from attending the AGM, there will be a limit on the number of shareholders who can legally attend. **We strongly recommend that shareholders do not attend the AGM, and instead, submit their vote by appointing the Chairman of the AGM as their proxy.**
- **If you do intend to attend the AGM in person, you must email: info@getech.com in advance to confirm your attendance.** You will be required to provide various contact details for the purposes of NHS Track and Trace.
- Only registered shareholders (or their duly appointed proxies) are permitted to attend the AGM. Guests will not be admitted.
- Attendees will be required to follow social distancing guidelines and face coverings must be worn.

You must not attend the AGM if you have any symptoms of COVID-19, if you have had recent contact with anyone who has tested positive or is symptomatic, or if you have been told to self-isolate by NHS Test and Trace.

The COVID Roadmap Regulations are not due to expire until the end of 30th June 2021. The UK Government has indicated that it hopes to be in a position to remove all legal limits on social contact by 21st June 2021; however, it is unclear whether it will do so, or whether the COVID Roadmap Regulations will be extended, amended or replaced.

On the basis that attendance at the AGM will be limited and shareholders could be prohibited from attending the Meeting in person, shareholders wishing to vote on the resolutions should submit their vote by appointing the Chairman of the AGM as their proxy. Details of how shareholders can vote by proxy are set out in notes 3 – 11 below.

Shareholders who would have raised questions at the AGM are invited to instead submit their questions by email to: info@getech.com in advance of the AGM. We will endeavour to promptly provide answers to questions from shareholders which would ordinarily have been raised and answered at the AGM.

Shareholders should note that the current situation is still evolving and that further announcements may be required. In particular, shareholders should note that further legislation may come into force before the AGM which will have an impact on it, including legislation prohibiting shareholders from attending the Meeting in person, in which case, any shareholder attempting to attend the meeting would be refused entry. **We would strongly recommend that shareholders do not attend the AGM due to unpredictable circumstances, and instead, submit their vote by appointing the Chairman of the AGM as their proxy. If shareholders do plan to attend, they are strongly encouraged to check the Company's website regularly for updates.**

- To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 28 June 2021. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. Whilst the current COVID Roadmap Regulations remain in force, only shareholders (or their duly appointed proxies) will be permitted to attend the AGM, subject to the pre-registration and the other restrictions set out in detail in note 1 above. **Therefore, we strongly recommend that shareholders appoint the Chairman of the meeting as their proxy in order to ensure their vote can be counted.** Subject to the COVID Roadmap Regulations, delivery of an appointment of a proxy will not preclude a shareholder from attending and voting in person if he/she wishes to do so.
- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

Notes cont.

- A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
- You can vote:
 - by logging on to www.signalshares.com and following the instructions;
 - by requesting a hard copy form of proxy directly from the registrars, Link Group (the **Registrar**), on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a completed form of proxy must be received by the Registrar at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by 12 noon on 28 June 2021 (together with, in the case of a hard copy form of proxy, the original or a certified copy of any power of attorney or other authority pursuant to which such form of proxy has been signed).

Shareholders are strongly encouraged to vote, in the case of CREST members, by utilising the CREST electronic proxy appointment service, and otherwise, by logging on to www.signalshares.com.
- If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
- The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so and if such attendance is permitted by the COVID Roadmap Regulations or any successor legislation.
- CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EU). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 noon on 28 June 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

Notes [cont.](#)

13. As at 3 June 2021 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 66,866,680 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 3 June 2021 are 66,866,680.
14. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
15. Any shareholder attending the Meeting (if permitted by the COVID Roadmap Regulations) has the right to ask questions. In light of the ongoing COVID-19 pandemic, in order to keep the number of persons speaking at the AGM to a minimum, we would invite shareholders to submit any questions by email to: info@getech.com in advance of the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
16. Copies of the Directors' letters of appointment or service contracts are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 11.45 am on the day of the Meeting until the conclusion of the Meeting. **If you would like to request an electronic copy of these documents, please email: info@getech.com.**
17. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
18. All references to times in this Notice are to UK time.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.getech.com.

Explanation of Resolutions**Resolution number 1 – accounts**

The Directors of the Company are obliged to present to shareholders the report of the Directors and the accounts for the Company for the year ended 31 December 2020. That report and those accounts, and the report of the Company's auditor on those accounts, are set out on pages 32 to 93 of this document.

Resolution numbers 2,3,4 and 5 – re-election and re-appointment of Directors

At each general meeting, one-third of the Directors for the time being (other than those appointed since the latest Annual General Meeting) are required to retire. If the number of relevant Directors is not a multiple of three, the number nearest to but not less than one-third of the Directors should be obliged to retire. Directors due to retire by rotation are those who have been longest in office since their last re-election and as between persons who become or were last re-elected on the same day, those due to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election. Stuart Paton and Jonathan Copus retire by rotation and are offering themselves for re-election. The Directors have agreed to appoint Richard Bennett and Michael Covington to the board with effect from 28 January 2021 and 13 May 2021 respectively. In accordance with the articles of association they therefore offer themselves for re-appointment by the shareholders at the general meeting.

Resolution number 6 – re-appointment of auditor and approving its remuneration

At each general meeting at which accounts are laid, the Company is required to appoint an auditor to hold office until the next general meeting. The present auditor, Grant Thornton UK LLP, is willing to continue in office for a further year, and this resolution proposes its re-appointment.

Resolution number 7 – authority to determine auditor's remuneration

In accordance with standard practice, this resolution will authorise the Directors to determine the level of the auditor's remuneration.

Resolution number 8 – authority to allot shares

The resolution grants the Directors authority to allot relevant securities up to an aggregate nominal amount of £55,165, being approximately one-third of the Company's Ordinary Share capital in issue at 3 June 2021.

In line with guidance issued by the Association of British Insurers, resolution 8 also grants the Directors of the Company authority to allot unissued share capital in connection with a Rights Issue in favour of ordinary shareholders up to an aggregate nominal amount of £110,330 (representing approximately two-thirds of the Company's Ordinary Share capital in issue at 3 June 2021) as reduced by the nominal amount of any shares issued under resolution 8.1.

It is not the Directors' current intention to allot relevant securities pursuant to this resolution. This authority replaces the existing authority to allot relevant securities but does not affect the ability to allot shares under the Company's share option schemes.

Resolution number 9 – electronic communications

This resolution authorises the Company to send or supply documents or information to members by making them available on a website or by electronic means.

Resolution number 10 – disapplication of statutory pre-emption rights

This resolution disapplies the statutory pre-emption rights that would otherwise apply on an issue of shares for cash and is limited to allotments in connection with Rights Issues or other pre-emptive offers and, otherwise, authorises the Directors to allot securities on a non-pre-emptive basis for cash up to a nominal value of £25,075, being approximately of the Company's Ordinary Share capital in issue at 3 June 2021. This replaces the existing authority to disapply pre-emption rights and expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the date of the Annual General Meeting, whichever is the earlier.

Resolution number 11 – purchase of own shares

In certain circumstances, it may be advantageous for the Company to purchase its own shares, and this resolution seeks authority to do this. The Directors would only consider making purchases if they believed that such purchases would be in the best interests of shareholders generally, having regard to the effect on earnings per share and the Company's overall financial position.

The resolution gives general authority for the Company to make purchases of up to 6,686,668 Ordinary Shares (being 10% of the Company's Ordinary Share capital in issue at 3 June 2021) at a minimum price of 0.25p and a maximum price being the higher of a) 105% of the average of the middle market quotations for Ordinary Shares for the 5 business days prior to the purchase or b) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

Companies are permitted to retain any of their own shares that they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them. The Company will consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

Advisors

Registered office for the Parent Company

Kitson House
Elmete Hall
Elmete Lane
Leeds
LS8 2LJ

Nominated advisor and broker

Cenkos Securities plc
6 7 8 Tokenhouse Yard
London
EC2R 7AS

Auditor

Grant Thornton UK LLP
No. 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

Solicitors

Womble Bond Dickinson
1 Whitehall Riverside
Leeds
LS1 4BN

Principal bankers

National Westminster Bank Plc
PO Box 183
8 Park Row
Leeds
LS1 1QT

Registrars

Link Asset Services
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

Notes



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