



# Getmapping plc Report & Accounts 2006

## Getmapping plc

### Report and financial statements for the year ended 31 December 2006

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#### Directors

T C L Cary	(Chairman & Managing)
K T Shute	(Finance)
J L A Cary	(Non-executive)
R Cumming-Bruce	(Non-executive)
J P Leighfield	(Non-executive)
G Sankarasubramanian	(Technical; appointed 1 January 2007)

#### Secretary and registered office

K T Shute, Virginia Villas, Hartley Wintney, Hampshire, RG27 8NW.

#### Company number

3663783

#### Auditors

BDO Stoy Hayward LLP, Connaught House, Alexandra Terrace, Guildford, Surrey GU1 3DA.

## **Getmapping plc**

### **Chairman's statement**

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2006 was an excellent year for Getmapping, with sales and profits substantially up on 2005, and the company ended the year in a strong financial position.

The market in which we operate continues to grow as aerial photography becomes increasingly established as a fundamental mapping resource. However this growth has attracted some major competitors.

We flew another 50,000 sq km of data of the UK although poor weather prevented us from completing the coverage of Scotland, where we still have 20,000 sq km left in order to complete our coverage of England, Scotland and Wales.

### **Financial Results**

The financial highlights (compared with the previous year) were

- turnover up by 86% to £3,411,000 (£1,830,000);
- gross profit up by 45% to £2,008,000 (£1,388,000);
- net profit up by 412% to £548,000 (£107,000);
- year-end cash balances of £1,392,000.

### **Sales**

Online sales grew by 11% in 2006 to £1,266,000. This was a good result given that the free availability of high-resolution data in Microsoft Virtual Earth and Google Earth has dented the market for high resolution downloads to consumers, and the increase in sales was primarily due to strong growth in the business to business sector.

Offline sales increased by 310% in 2006 to £2,100,000, including the first sales under our four year supply agreement with Microsoft as well as a 50% share of a national data set to the British Geological Survey.

### **Gross profit margin**

As expected, our gross profit margin on sales declined from 76% in 2005 to 59% in 2006 because an increasing part of our turnover is derived from the sales of new data, where the revenue is shared with the Getmapping Partnership.

### **Getmapping Partnership ('GMP')**

GMP has continued to make good progress re-flying the Millennium Map using a Vexcel Ultracam D large format digital camera. A total of 34,000 sq km was captured in 2006, bringing the new coverage of England and Wales up to 46%.

The processing backlog to which I referred last year has now been cleared by using an Indian sub-contractor as well as the Geosense processing facility in South Africa.

However GMP is still behind its original plan and we are currently looking at ways of restructuring the partnership.

## **Getmapping plc**

### **Chairman's statement**

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#### **Ordnance Survey Scotland imagery**

Adverse weather prevented us from completing the Ordnance Survey Scotland contract in 2006. We have now collected 53,000 sq km out of the 60,000 sq km ordered, and we have agreed an extension to the contract to collect the remaining 7,000 sq km by mid 2007.

#### **The Pan Government Agreement ('PGA')**

The PGA is a four-year mapping services agreement for non-local government agencies in Britain and represents an important milestone on the route to establishing the private sector as a provider of national spatial data sets to the Government.

Getmapping is in the Next Perspectives team that has provisionally been awarded a PGA contract from 1 April 2008, subject to the PGA Members providing sufficient funding. If confirmed, the contract value will be £9.45m, of which the Company will receive approximately one third.

#### **Risks to the business**

The weather has a significant effect on the rate at which we can up-date the Millennium Map, but we have made good progress since the 2007 flying season started.

Another ongoing risk to our traditional vertical photography business is the entry into the market of some major competitors, notably Google and Microsoft.

We are using our resources to mitigate both these risks. To improve the rate (as well as the cost) at which we can acquire and process new data we plan to invest in a new Vexcel UCX digital camera system. To combat the effects of increased competition in our traditional (vertical photography) market we are developing two additional business streams which we think have significant earnings potential: one is 3D, the other is Cartography. Both these business streams are based on our core Millennium Map data and will thus leverage more value from our core vertical photography.

The 3D business stream is aimed at extracting building geometries from our stereo vertical photography and using new 'oblique' (or sideways-looking) photography to create photo-realistic 3D building models. These models are then used by customers who need to be able to visualise urban landscapes in three dimensions. Typical users are Local Authorities to support planning enquiries for new developments and telecoms companies who need to be able to analyse the coverage of new 3G masts.

The Cartography business is aimed at extracting conventional mapping information from our photography and combining it with other publicly available data to produce conventional maps. This business is due to be launched in mid 2007.

#### **Outlook**

Notwithstanding the competitive threats I remain confident about the future and we have made a good start to 2007.

Tristram Cary  
**Chairman and Managing Director**

8 May 2007

## **Getmapping plc**

### **Report of the directors for the year ended 31 December 2006**

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The directors present their report together with the audited financial statements for the year ended 31 December 2006.

#### **Results and dividends**

The profit and loss account is set out on page 8 and shows the result for the year.

The directors recommend that no dividend is paid (2005- £Nil).

#### **Principal activities, trading review and future developments**

The principal activity of the company is the production and sale of UK aerial photography.

The directors' report should be read in conjunction with the Chairman's Statement, which summarises the company's trading during the year, the key performance indicators, the principal risks to the business, and future plans.

#### **Employee Involvement**

The directors are well aware of the importance of good employee relations and the contribution the staff make to the business. The policy is to attract and retain good quality staff so that the company remains at the forefront of technical development in the acquisition of photographic data and its delivery on line. Members of staff are kept aware of the Board's plans and are encouraged to put forward ideas for improving the business.

#### **Capitalisation policy**

Development costs relating to flying, photography, geo-correction, processing and delivery systems are capitalised as tangible fixed assets. All other development costs have been written off to the profit and loss account.

#### **Policy on payment of creditors**

The company agrees payment terms and conditions with individual suppliers which vary according to the commercial relationship and the terms of agreements reached. It is the policy of the company that wherever possible payments to suppliers are made in accordance with the terms agreed. The average number of days' purchases included within trade creditors for the company at the year-end is 66 days (2005 - 72 days).

#### **Financial Instruments**

Details of the use of financial instruments by the company are set out in note 14 of the financial statements.

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

## Getmapping plc

### Report of the directors for the year ended 31 December 2006

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#### Directors

The directors of the company during the year and their interests in the ordinary share capital of the company at 31 December 2006 were:

	Ordinary shares of 0.3p each	
	2006	2005
T C L Cary	4,080,533	4,080,533
K T Shute	60,667	60,667
J L A Cary	295,567	295,567
R Cumming-Bruce	250,348	250,348
J P Leighfield	-	-
G Sankarasubramanian (appointed 1 January 2007)	-	-

Directors	Scheme	Share options at 31 December		Exercise period	Exercise price p
		2006	2005		
T C L Cary		-	-	-	-
K T Shute	Approved	154,048	154,048	01/05/05-22/10/14	1.75
J L A Cary	Approved	50,000	50,000	16/10/04-15/10/11	16.50
R Cumming-Bruce		-	-	-	-
J P Leighfield	Approved	50,000	-	10/02/09-09/02/16	6.50
G Sankarasubramanian	Approved	78,424	78,424	01/11/04-30/10/17	1.75

#### Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Getmapping plc**

**Report of the directors for the year ended 31 December 2006**

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**Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the next annual general meeting.

**By order of the Board**

KT Shute  
**Secretary**

8 May 2007

## **Getmapping plc**

### **Report of the independent auditors**

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#### **To the shareholders of Getmapping plc**

We have audited the financial statements of Getmapping plc for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report and the chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Getmapping plc**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the directors' report is consistent with the financial statements.

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*  
Guildford

8 May 2007

## Getmapping plc

### Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	2	3,411	1,830
Cost of sales		(1,403)	(442)
<b>Gross profit</b>		<b>2,008</b>	<b>1,388</b>
Administration expenses		(1,474)	(1,234)
		<b>534</b>	154
Other operating income		132	146
Share of partnership loss		(136)	(200)
<b>Operating profit</b>	3	<b>530</b>	100
Interest receivable		18	7
<b>Profit on ordinary activities before and after taxation</b>	16	<b>548</b>	107
<b>Earnings per share - basic</b>	7	<b>1.90p</b>	0.37p
<b>Earnings per share - diluted</b>	7	<b>1.86p</b>	0.36p

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

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

**Getmapping plc****Balance sheet at 31 December 2006**

	Note	2006 £'000	2006 £'000	2005 £'000	2005 £'000
<b>Fixed assets</b>					
Tangible assets	8		798		778
Investments	9		-		-
			<u>798</u>		<u>778</u>
<b>Current assets</b>					
Debtors	10	474		384	
Cash at bank and in hand		1,392		659	
		<u>1,866</u>		<u>1,043</u>	
<b>Creditors: amounts falling due within one year</b>	11	838		600	
		<u>838</u>		<u>600</u>	
<b>Net current assets</b>			<u>1,028</u>		<u>443</u>
<b>Total assets less current liabilities</b>			<u>1,826</u>		<u>1,221</u>
<b>Creditors: amounts falling due after more than one year</b>	12	130		77	
<b>Provisions for liabilities</b>	13	12		8	
		<u>142</u>		<u>85</u>	
			<u>1,684</u>		<u>1,136</u>
<b>Capital and reserves</b>					
Called up share capital	15		87		87
Share premium	16		12,429		12,429
Profit and loss account	16		(10,832)		(11,380)
			<u>1,684</u>		<u>1,136</u>
<b>Shareholders' funds</b>			<u>1,684</u>		<u>1,136</u>

The financial statements were approved by the Board and authorised for issue on 8 May 2007.

T C L Cary  
**Chairman & Managing Director**

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

**Getmapping plc****Cash flow statement for the year ended 31 December 2006**

	Note	2006 £'000	2006 £'000	2005 £'000	2005 £'000
<b>Net cash inflow from operating activities</b>	20		<b>851</b>		<b>296</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		<b>18</b>		<b>7</b>	
		<hr/>		<hr/>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			<b>18</b>		<b>7</b>
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		<b>(136)</b>		-	
Sale of tangible fixed assets		-		96	
Purchase of investment		-		(13)	
		<hr/>		<hr/>	
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>			<b>(136)</b>		<b>83</b>
			<hr/>		<hr/>
<b>Increase in cash in year</b>	21		<b>733</b>		<b>386</b>
			<hr/>		<hr/>

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

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Prior year adjustment*

The directors have reconsidered the disclosure of the share of the partnership loss in the profit and loss account and adjusted this to appear above Operating Profit. There has been no effect on the results of either year.

### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less value added tax.

### *Fixed assets*

Costs relating to flying, photography, geo-correction, processing, delivery systems are capitalised as tangible fixed assets. All other development costs have been written off to the profit and loss account.

### *Website costs*

Website development costs have been capitalised as tangible fixed assets where they relate to an enduring asset. Website planning and maintenance costs are charged to the profit and loss account when they are incurred.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Aerial photography/digital imaging	-	over 10 years on a straight line basis
Website	-	over 10 years on a straight line basis
Plant, machinery and equipment	-	over 3 years on a straight line basis
Fixtures and fittings	-	over 3 years on a straight line basis

### *Investments - joint ventures*

An entity is treated as a joint venture where the company holds a long term interest and shares control under a contractual agreement. Investments in joint ventures are included at cost.

Where the joint venture is a partnership, the investment is adjusted by the company's share of any partnership loss for the period.

### *Impairment of fixed assets*

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

**1 Accounting policies (Continued)**

*Share based payments*

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received

*National insurance on share options*

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted provision for National Insurance contributions is made. The provision is accrued over the performance period attaching to the award.

*Operating leases*

Annual rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

*Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, by the balance sheet date except for deferred tax assets which are only recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax liabilities and assets are not discounted.

*Pensions*

Payments are made to defined contribution schemes of individual employees, and amounts are written off to the profit and loss account.

*Foreign currency*

Foreign currencies transactions are translated at the rate ruling when they occurred. Other monetary assets and liabilities denominated in foreign currencies are translated at the year end rates, the exchange differences arising being taken to the profit and loss account.

## Getmapping plc

### Notes forming part of the financial statements for the year ended 31 December 2006

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#### 2 Turnover, profit and net assets

	Turnover	
	2006 £'000	2005 £'000
By destination:		
United Kingdom	2,730	1,806
Overseas	681	24
	<hr/>	<hr/>
	3,411	1,830
	<hr/> <hr/>	<hr/> <hr/>

All the turnover, profit and net assets are derived from aerial photography and digital imaging.

#### 3 Operating profit

	2006 £'000	2005 £'000
This is arrived at after charging:		
Depreciation - owned assets	116	94
Auditors' remuneration - audit services	10	10
- other taxation services	5	5
Operating lease rentals – other assets	55	55
Loss on exchange	7	-
	<hr/>	<hr/>

## Getmapping plc

### Notes forming part of the financial statements for the year ended 31 December 2006

#### 4 Employees

	2006 £'000	2005 £'000
Staff costs consist of:		
Wages and salaries	791	588
Social security costs	91	65
Other pension costs	17	20
	<u>899</u>	<u>673</u>
The average monthly number of employees (including executive directors) during the year was as follows:	<b>Number</b>	<b>Number</b>
Technical	4	5
Production	-	1
Sales and administration	9	8
	<u>13</u>	<u>14</u>

#### 5 Directors' emoluments

	2006 £'000	2005 £'000
Directors' emoluments consist of:		
Fees and other emoluments	207	157
Amounts paid to personal pension schemes	5	5
	<u>212</u>	<u>162</u>
Emoluments of the highest paid director	<u>128</u>	<u>86</u>
Amounts paid to personal pension schemes	<u>5</u>	<u>5</u>

There was one director (2005 - 1) for whom amounts were paid into a private personal defined contribution scheme.

Details of directors' share options are set out on page 4.

**6 Taxation on profit from ordinary activities**

There is no tax charge for either the current or prior year. The factors affecting the tax charge for the year are explained below:

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Profit on ordinary activities before tax	<b>548</b>	107
Profit on ordinary activities at the standard rate of UK corporation tax of 30% (2005 - 30%)	<b>164</b>	32
Effects of:		
Expenses not deductible for tax purposes	<b>2</b>	3
Depreciation for period in excess of capital allowances	<b>35</b>	32
Provision adjustment	-	(29)
Share of partnership loss	<b>35</b>	60
Utilisation of tax losses brought forward	<b>(236)</b>	(96)
Marginal relief	-	(2)
Tax charge	-	-

**Deferred taxation**

The company has tax losses of approximately £8,270,000 (2005 - £9,061,000) available for offset against future taxable profits. As the recoverability of the amount in the foreseeable future is uncertain, the potential deferred tax asset has not been recognised.

**7 Earnings per share**

The basic earnings per share has been calculated using the profit for the period divided by the weighted average number of shares in issue during the year, before taking account of shares under option, of 28,849,110 (2005: 28,849,110). The diluted earnings per share has been calculated using the weighted average number of shares in issue during the year, after taking account of shares under option. The weighted average was 29,383,730 (2005:29,448,150), made up of shares in issue of 28,849,110 (2005:28,849,110) plus shares under option of 534,620 (2005:599,040).

Getmapping plc

Notes forming part of the financial statements for the year ended 31 December 2006

8 Tangible fixed assets

	Aerial photography/ digital imaging £'000	Website £'000	Domesday Book development costs £'000	Plant, machinery and equipment £'000	Fixtures and fittings £'000	Total £'000
<i>Cost</i>						
At 1 January 2006	6,973	587	454	171	30	8,215
Additions	68	-	-	67	1	136
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	<b>7,041</b>	<b>587</b>	<b>454</b>	<b>238</b>	<b>31</b>	<b>8,351</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 January 2006	6,294	488	454	171	30	7,437
Charge for year	83	11	-	22	-	116
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	<b>6,377</b>	<b>499</b>	<b>454</b>	<b>193</b>	<b>30</b>	<b>7,553</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 31 December 2006	<b>664</b>	<b>88</b>	<b>-</b>	<b>45</b>	<b>1</b>	<b>798</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	679	99	-	-	-	778
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## Getmapping plc

Notes forming part of the financial statements for the year ended 31 December 2006

### 9 Investments

	2006 £'000	2005 £'000
<i>Cost</i>		
At 1 January 2006	220	61
Additions	132	159
At 31 December 2006	<u>352</u>	<u>220</u>
<i>Provisions</i>		
At 1 January 2006	220	28
Provision for share of LLP trading loss	136	200
Transfer to liabilities	(4)	(8)
At 31 December 2006	<u>352</u>	<u>220</u>
<i>Net book value</i>	<u>-</u>	<u>-</u>

#### Joint venture

Name	Country of incorporation	Proportion of voting rights	Nature of business
Digital Millennium Map LLP (trading as The Getmapping Partnership)	United Kingdom	25%	Aerial photography

The following information is based on Digital Millennium Map LLP's twelve month period to 31 December 2006 taken from audited accounts for the eighteen month period ended 31 December 2006.

	25% share of Digital Millennium Map LLP £'000	Getmapping plc consolidated to include 25% share of joint venture partnership £'000
Turnover	165	3,576
Operating costs	(301)	(3,178)
(Loss) / profit for the period	<u>(136)</u>	<u>398</u>
Tangible fixed assets	55	853
Current assets	32	1,888
Liabilities due within one year	(28)	(856)
Liabilities due after more than one year	(50)	(180)
Liabilities due to members	(8)	(20)
Net assets	<u>1</u>	<u>1,685</u>

**10 Debtors**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Trade debtors	<b>399</b>	329
Prepayments and accrued income	<b>75</b>	55
	<hr/>	<hr/>
	<b>474</b>	384
	<hr/> <hr/>	<hr/> <hr/>

All amounts shown under debtors fall due for payment within one year.

**11 Creditors: amounts falling due within one year**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Trade creditors	<b>330</b>	264
Creditors for taxation and social security	<b>88</b>	63
Accruals and deferred income	<b>420</b>	273
	<hr/>	<hr/>
	<b>838</b>	600
	<hr/> <hr/>	<hr/> <hr/>

**12 Creditors: amounts falling due after more than one year**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Deferred income	<b>130</b>	77
	<hr/> <hr/>	<hr/> <hr/>

**13 Provisions for liabilities**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Provision for loss on LLP investment	<b>12</b>	8
	<hr/> <hr/>	<hr/> <hr/>

## 14 Financial instruments

Financial instruments are used that are necessary to facilitate the company's ordinary trade activities, namely cash, trade payables and receivables; the resultant risks are credit risk, foreign currency risk and interest rate risk. The company does not use financial derivatives in its management of these risks.

### Credit risk

The company's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made. At the balance sheet date the company had the following trade debtors:

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Trade debtors	<b>399</b>	329

### Foreign currencies

There are a small number of routine trading contracts with customers and suppliers in US dollars and euros. Payments and receipts are made through bank accounts denominated in the currency of the contract: therefore balances held in any foreign currency are to facilitate day to day transactions. The company mitigates exposure to movements in exchange rates by transferring funds into the sterling accounts on a timely basis.

With a functional currency of sterling, there are the following currency net assets:

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
<b>Currency: US dollars:</b>		
Cash	<b>140</b>	-
Trade debtors	<b>70</b>	-
Net assets	<b>210</b>	-
<b>Currency: Euros:</b>		
Cash / net assets	<b>16</b>	32

### Interest rates

Cash balances are held in short-term deposit accounts, repayable on demand: these attract interest rates which fluctuate in relation to movements in bank base rate. This maintains liquidity and does not commit the company to long-term deposits at fixed rates of interest.

**14 Financial instruments (Continued)****Financial assets: cash at bank**

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Sterling	<b>1,236</b>	627
US dollars	<b>140</b>	-
Euros	<b>16</b>	32
	<b>1,392</b>	659

**Financial assets and liabilities**

The company has the following financial assets and liabilities:

- Cash balances, trade and other receivables, trade and other payables: these are stated at book values which approximate closely to their fair values.

**15 Share capital**

	<b>Number</b>	<b>Nominal value in pence</b>	<b>£'000</b>
<i>Authorised - ordinary shares</i>			
As at 1 January 2006 and 31 December 2006	<b>50,000,000</b>	<b>0.3</b>	<b>150</b>
<i>Allotted, called up and fully paid - ordinary shares</i>			
As at 1 January 2006 and 31 December 2006	<b>28,849,110</b>	<b>0.3</b>	<b>87</b>

**Share options***Employee and former employee unapproved share option scheme*

<b>Date of grant</b>	<b>Number of shares</b>	<b>Period of option</b>	<b>Option price</b>
2000	74,452	2 to 10 years	13.17365p

*Employee and former employee approved share option schemes*

<b>Date of grant</b>	<b>Number of shares</b>	<b>Period of option</b>	<b>Option price</b>
2001	50,000	3 to 10 years	16.5p
2004	534,620	0 to 10 years	1.75p
2006	50,000	2 to 10 years	6.50P

No charge has been made to the profit and loss account in respect of the options issued in the year as their value was not material at date of grant or at the year end.

**16 Reserves**

	Share Premium £'000	Profit and loss account £'000
At 1 January 2006	12,429	(11,380)
Profit for the year	-	548
At 31 December 2006	<u>12,429</u>	<u>(10,832)</u>

**17 Commitments under operating leases**

As at 31 December 2006, the company had annual commitments under non-cancellable operating leases as set out below:

	2006 Land and buildings £'000	2006 Other £'000	2005 Land and buildings £'000	2005 Other £'000
Operating leases which expire:				
Within one year	-	-	-	-
In one to two years	-	4	-	4
In two to five years	55	-	55	-
	<u>55</u>	<u>4</u>	<u>55</u>	<u>4</u>

**18 Related party transactions**

During the year the company charged Digital Millennium Map LLP, a joint venture in which the company has a 25% stake, £132,000 (2005 - £146,000) for management and administration services. These charges form part of the company's investment in the joint venture, which totalled £352,000 (2005 - £220,000) at 31 December 2006. In addition in 2005 the company paid management expenses of £13,000 on behalf of Digital Millennium Map LLP and sold Digital Millennium Map LLP an aero control system for £90,000.

The company has recognised a cost of £136,000 (2005 - £200,000) in relation to its share of the trading losses of Digital Millennium Map LLP. This loss has been offset against the investment in the joint venture with the cumulative excess provided under "Provisions for liabilities".

**19 Contingent liabilities**

During the year the company contracted with a customer to supply photographic data for which it received payment in full before the year end subject to providing a bank guarantee for £120,000, which was put in place after the year end and remains outstanding.

**20 Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Operating profit	530	100
Depreciation	116	94
Share of partnership loss	136	200
Other operating income	(132)	(146)
(Increase) in debtors	(90)	(62)
Increase in creditors	291	110
	<hr/>	<hr/>
Net cash inflow from operating activities	<b>851</b>	<b>296</b>
	<hr/> <hr/>	<hr/> <hr/>

**21 Reconciliation of net cash flow to movement in net funds**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Increase in cash in the year	733	386
Net funds at start of the year	659	273
	<hr/>	<hr/>
Net funds at end of the year	<b>1,392</b>	<b>659</b>
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**22 Analysis of net funds**

	<b>At start of year £'000</b>	<b>Cashflow £'000</b>	<b>At end of year £'000</b>
Cash in hand and at bank	659	733	1,392
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