

EVOTEK LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2011

THURSDAY



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SCT 31/05/2012 #214
COMPANIES HOUSE

FOURM
Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

EVOTEK LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

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EVOTEK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr K D Crawford Mrs L A Crawford
Company secretary	Mrs L A Crawford
Registered office	Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Auditor	FourM Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	The Royal Bank of Scotland plc 22-23 Market Street Stonehaven AB39 2BE
Solicitors	Thorntons Law LLP Whitehall House 33 Yeaman Shore Dundee DD1 4BJ

EVOTEK LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

The directors have pleasure in presenting their report and the financial statements of the group for the period from 2 October 2010 to 30 September 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of providing business and management consultancy to its subsidiaries.

The principal activity of Pacson Limited, a subsidiary company incorporated in Scotland, continues to be that of the design, manufacture and testing of high specification isolation valves and associated pressure containing equipment.

The principal activity of B&A Hydraulics Limited, a subsidiary company incorporated in Scotland, continues to be that of rental, service and sale of oilfield equipment.

As was predicted at the start of the year, activity and opportunities within Pacson Limited improved during the year as the oil & gas market recovered from recession. Growth was however, impacted by the ability of the supply chain to react to the improving market conditions. This led to some difficult challenges for the company during the year but, despite this, the company still achieved reasonable growth. The company continued to make significant investment in product R&D over the period to support our long term growth strategy.

Opportunities for B&A Hydraulics Limited were projected to improve during the year as the market sectors, predominantly the oil & gas market, recovered from recession. The company had considerable success developing new customers and increasing the product offerings to existing customers during the year, which combined with the general increase in market activity, resulted in a significant improvement in the business performance.

The projections for the coming year for both companies is for demand stability within the markets, continued development of the customer base and introduction of new products leading to further growth.

RESULTS AND DIVIDENDS

The group profit for the period, after taxation, amounted to £354,705. Particulars of dividends paid are detailed in note 9 to the financial statements.

DIRECTORS

The directors who served the company during the period were as follows:

Mr K D Crawford
Mrs L A Crawford

EVOTEK LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

AUDITOR

FourM are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

Signed on behalf of the directors



Keith Crawford
Director

Approved by the directors on 23 May 2012

EVOTEK LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- 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 auditor is aware of that information.

EVOTEK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EVOTEK LIMITED
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

We have audited the group and parent company financial statements ("the financial statements") of Evotek Limited for the period from 2 October 2010 to 30 September 2011 on pages 13 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2011 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

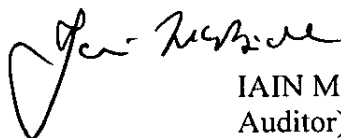
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

EVOTEK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EVOTEK LIMITED *(continued)*
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept 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.



IAIN McBRIDE (Senior Statutory Auditor)

For and on behalf of

FOURM

Chartered Accountants
& Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

23 May 2012

EVOTEK LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

		Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
	Note		
GROUP TURNOVER	2	10,260,130	6,683,862
Cost of sales		5,247,687	2,675,244
GROSS PROFIT		5,012,443	4,008,618
Distribution costs		135,717	124,977
Administrative expenses		4,418,069	3,756,482
OPERATING PROFIT	3	458,657	127,159
Interest receivable		3,925	2,996
Interest payable and similar charges	6	(59,887)	(33,446)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		402,695	96,709
Tax on profit on ordinary activities	7	47,990	(38,249)
PROFIT FOR THE FINANCIAL PERIOD	8	354,705	134,958

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the period as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 25 form part of these financial statements.

EVOTEK LIMITED
GROUP BALANCE SHEET
30 SEPTEMBER 2011

	Note	30 Sep 11 £	1 Oct 10 £
FIXED ASSETS			
Intangible assets	10	672,912	719,180
Tangible assets	11	765,865	799,063
		<u>1,438,777</u>	<u>1,518,243</u>
CURRENT ASSETS			
Stocks	13	2,510,785	2,003,024
Debtors	14	3,162,903	2,102,212
Cash at bank and in hand		643,228	491,154
		<u>6,316,916</u>	<u>4,596,390</u>
CREDITORS: Amounts falling due within one year	15	<u>3,908,724</u>	<u>2,500,530</u>
NET CURRENT ASSETS		<u>2,408,192</u>	<u>2,095,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,846,969</u>	<u>3,614,103</u>
CREDITORS: Amounts falling due after more than one year	16	564,256	647,496
PROVISIONS FOR LIABILITIES			
Deferred taxation	19	38,252	28,851
		<u>3,244,461</u>	<u>2,937,756</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	74,822	74,822
Profit and loss account	23	3,169,639	2,862,934
SHAREHOLDERS' FUNDS	24	<u>3,244,461</u>	<u>2,937,756</u>

These financial statements were approved by the directors and authorised for issue on 23 May 2012, and are signed on their behalf by:

MR K D CRAWFORD



The notes on pages 12 to 25 form part of these financial statements.

EVOTEK LIMITED**BALANCE SHEET****30 SEPTEMBER 2011**

	Note	30 Sep 11 £	£	1 Oct 10 £
FIXED ASSETS				
Tangible assets	11		31,709	14,687
Investments	12		1,313,042	1,313,042
			<u>1,344,751</u>	<u>1,327,729</u>
CURRENT ASSETS				
Debtors	14	250,956		278,654
Cash at bank		129,745		64,724
		<u>380,701</u>		<u>343,378</u>
CREDITORS: Amounts falling due within one year	15	<u>482,906</u>		<u>461,915</u>
NET CURRENT LIABILITIES			(102,205)	(118,537)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,242,546</u>	<u>1,209,192</u>
CREDITORS: Amounts falling due after more than one year	16		485,757	562,392
			<u>756,789</u>	<u>646,800</u>
CAPITAL AND RESERVES				
Called-up equity share capital	22		74,822	74,822
Profit and loss account	23		681,967	571,978
SHAREHOLDERS' FUNDS			<u>756,789</u>	<u>646,800</u>

These financial statements were approved by the directors and authorised for issue on 23 May 2012, and are signed on their behalf by:

MR K D CRAWFORD

Company Registration Number: SC270149

The notes on pages 12 to 25 form part of these financial statements.

EVOTEK LIMITED**GROUP CASH FLOW****PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011**

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(336,323)	187,817
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	3,925	2,996
Interest paid	(53,049)	(28,175)
Interest element of hire purchase	<u>(6,838)</u>	<u>(5,271)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(55,962)	(30,450)
TAXATION	41,483	(120,912)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(216,277)	(160,913)
Receipts from sale of fixed assets	<u>30,701</u>	<u>11,599</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(185,576)	(149,314)
CASH (OUTFLOW)	(536,378)	(112,859)
FINANCING		
Redemption of shares classed as financial liabilities	-	(93,826)
Repayment of bank loans	(89,461)	(94,277)
Net inflow from other short-term creditors	-	30,000
Capital element of hire purchase	<u>(18,757)</u>	<u>(61,128)</u>
NET CASH OUTFLOW FROM FINANCING	(108,218)	(96,975)
(DECREASE) IN CASH	<u>(692,596)</u>	<u>(209,834)</u>

The notes on pages 12 to 25 form part of these financial statements.

EVOTEK LIMITED**GROUP CASH FLOW****PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Operating profit	458,657	127,158
Amortisation	46,268	139,699
Depreciation	222,046	228,842
Profit on disposal of fixed assets	(3,272)	(4,565)
(Increase) in stocks	(507,761)	(508,068)
(Decrease) in debtors	(1,101,912)	(215,325)
Increase in creditors	549,651	420,076
Net cash (outflow)/inflow from operating activities	<u>(336,323)</u>	<u>187,817</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	30 Sep 11 £	1 Oct 10 £
(Decrease) in cash in the period	(692,596)	(209,834)
Net cash outflow from bank loans	89,461	94,277
Net (inflow) from other short-term creditors	-	(30,000)
Net cash outflow from redemption of shares classed as financial liabilities	-	93,826
Cash inflow/(outflow) in respect of hire purchase	<u>18,757</u>	<u>(61,128)</u>
Change in net debt	(584,378)	(112,859)
Net debt at 3 October 2010	<u>(1,315,171)</u>	<u>(1,202,312)</u>
Net debt at 30 September 2011	<u>(1,899,549)</u>	<u>(1,315,171)</u>

The notes on pages 12 to 25 form part of these financial statements.

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents the invoiced value of goods despatched during the period, exclusive of Value Added Tax.

Research and development

Expenditure on pure and applied research, and expenditure on the further development of existing, established products, is charged to the profit and loss account in the year in which it is incurred.

Expenditure on the development of new products is deferred and amortised over the shorter of three years or the estimated market lives of the new products. This is on the basis that the new products satisfy the following criteria: The development project is clearly defined and related expenditure is separately identifiable; the development project is technically feasible and commercially viable; current and future costs will be exceeded by future sales; and adequate resources exist for the project to be completed.

Goodwill

Negative goodwill recognised on the acquisition of subsidiaries has been written off to reserves in the year of acquisition. Positive goodwill recognised on the acquisition of subsidiaries is capitalised within the group and amortised over 20 years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Design rights	- 10% straight line
Goodwill	- 5% straight line

EVOTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10 - 25% straight line
Fixtures & Fittings	- 10 - 25% straight line
Motor Vehicles	- 20 - 33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and profit before tax are attributable to the activities of the group.
An analysis of turnover is given below:

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
United Kingdom	7,178,085	4,540,089
Overseas	3,082,045	2,143,773
	<u>10,260,130</u>	<u>6,683,862</u>

EVOTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Amortisation of intangible assets	46,268	139,699
Depreciation of owned fixed assets	196,631	222,038
Depreciation of assets held under hire purchase agreements	25,415	6,804
Profit on disposal of fixed assets	(3,272)	(4,565)
Auditor's remuneration		
- as auditor	16,200	16,740
- for other services	12,190	10,640
Operating lease costs:		
- Other	227,046	239,366
Net loss on foreign currency translation	<u>30,922</u>	<u>1,143</u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Audit	16,200	16,940
Accountancy	5,200	3,200
Payroll	2,640	2,640
Business consultancy	4,350	4,800
	<u>28,390</u>	<u>27,580</u>

EVOTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period amounted to:

	Period from 2 Oct 10 to 30 Sep 11 No	Period from 5 Oct 09 to 1 Oct 10 No
Number of production staff	81	74
Number of administrative staff	12	11
Number of management staff	8	7
	<u>101</u>	<u>92</u>

The aggregate payroll costs of the above were:

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Wages and salaries	2,627,093	2,277,709
Social security costs	272,825	225,653
Other pension costs	80,647	79,433
	<u>2,980,565</u>	<u>2,582,795</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Remuneration receivable	185,150	188,123
Value of company pension contributions to money purchase schemes	6,809	11,277
	<u>191,959</u>	<u>199,400</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 2 Oct 10 to 30 Sep 11 No	Period from 5 Oct 09 to 1 Oct 10 No
Money purchase schemes	<u>2</u>	<u>2</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Interest payable on bank borrowing	50,440	25,318
Finance charges	6,838	5,271
Other similar charges payable	2,609	2,857
	<u>59,887</u>	<u>33,446</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 20% (2010 - 28%)	38,851	3,685
Tax refund due to loss carry back	-	(44,886)
	<u>38,851</u>	<u>(41,201)</u>
Under/over provision - prior year	(262)	-
Total current tax	<u>38,589</u>	<u>(41,201)</u>
Deferred tax:		
Origination and reversal of timing differences	9,401	2,952
Tax on profit on ordinary activities	<u>47,990</u>	<u>(38,249)</u>

EVOTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of -% (2010 - -%).

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Profit on ordinary activities before taxation	402,695	96,709
Profit on ordinary activities by rate of tax	80,539	27,078
Expenses not deductible for tax purposes	2,213	(14,676)
Capital allowances for period in excess of depreciation	(6,959)	7,618
Utilisation of tax losses	-	(24,078)
Tax credit on R&D	(46,139)	(47,466)
Tax chargeable at lower rates	-	(1,230)
Over provision in prior year	(262)	-
Amortisation of goodwill	8,252	11,553
Tax chargeable at higher rates	945	-
Total current tax (note 7(a))	38,589	(41,201)

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £157,989 (2010 - £171,933).

9. DIVIDENDS

Equity dividends

	Period from 2 Oct 10 to 30 Sep 11 £	Period from 5 Oct 09 to 1 Oct 10 £
Paid		
Equity dividends on ordinary shares	48,000	-

EVOTEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 2 OCTOBER 2010 TO 30 SEPTEMBER 2011

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Development costs & design rights £	Total £
COST			
At 2 October 2010 and 30 September 2011	<u>825,207</u>	<u>326,671</u>	<u>1,151,878</u>
AMORTISATION			
At 2 October 2010	123,780	308,918	432,698
Charge for the period	<u>41,260</u>	<u>5,008</u>	<u>46,268</u>
At 30 September 2011	<u>165,040</u>	<u>313,926</u>	<u>478,966</u>
NET BOOK VALUE			
At 30 September 2011	<u>660,167</u>	<u>12,745</u>	<u>672,912</u>
At 1 October 2010	<u>701,427</u>	<u>17,753</u>	<u>719,180</u>

11. TANGIBLE FIXED ASSETS

Group	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 2 October 2010	3,802,814	756,813	155,089	4,714,716
Additions	104,913	26,839	84,525	216,277
Disposals	—	—	(100,661)	(100,661)
At 30 September 2011	<u>3,907,727</u>	<u>783,652</u>	<u>138,953</u>	<u>4,830,332</u>
DEPRECIATION				
At 2 October 2010	3,142,307	669,110	104,236	3,915,653
Charge for the period	164,126	34,783	23,137	222,046
On disposals	—	—	(73,232)	(73,232)
At 30 September 2011	<u>3,306,433</u>	<u>703,893</u>	<u>54,141</u>	<u>4,064,467</u>
NET BOOK VALUE				
At 30 September 2011	<u>601,294</u>	<u>79,759</u>	<u>84,812</u>	<u>765,865</u>
At 1 October 2010	<u>660,507</u>	<u>87,703</u>	<u>50,853</u>	<u>799,063</u>

Hire purchase agreements

Included within the net book value of £765,865 is £164,844 (2010 - £140,931) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £25,415 (2010 - £6,804).

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11. TANGIBLE FIXED ASSETS *(continued)*

Company	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 2 October 2010	835	39,750	40,585
Additions	433	36,320	36,753
Disposals	—	(39,750)	(39,750)
At 30 September 2011	<u>1,268</u>	<u>36,320</u>	<u>37,588</u>
DEPRECIATION			
At 2 October 2010	56	25,842	25,898
Charge for the period	378	7,434	7,812
On disposals	—	(27,831)	(27,831)
At 30 September 2011	<u>434</u>	<u>5,445</u>	<u>5,879</u>
NET BOOK VALUE			
At 30 September 2011	<u>834</u>	<u>30,875</u>	<u>31,709</u>
At 1 October 2010	<u>779</u>	<u>13,908</u>	<u>14,687</u>

Hire purchase agreements

Included within the net book value of £31,709 is £30,875 (2010 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £5,445 (2010 - £Nil).

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12. INVESTMENTS

Company

The company owns 100% of the issued ordinary share capital of Pacson Limited and of B&A Hydraulics Limited, companies incorporated in Scotland.

Aggregate capital and reserves	2011 £	2010 £
Pacson Limited	2,936,611	2,829,454
B&A Hydraulics Limited	203,936	73,117
Profit and (loss) for the year		
Pacson Limited	107,157	(41,410)
B&A Hydraulics Limited	130,819	45,695

£

COST

At 2 October 2010 and 30 September 2011 1,313,042

NET BOOK VALUE

At 30 September 2011 and 1 October 2010 1,313,042

13. STOCKS

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Stock	209,864	162,361	—	—
Raw materials	325,184	379,560	—	—
Work in progress	1,975,737	1,461,103	—	—
	<u>2,510,785</u>	<u>2,003,024</u>	<u>—</u>	<u>—</u>

14. DEBTORS

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Trade debtors	2,990,196	1,952,944	—	—
Amounts owed by group undertakings	—	—	248,656	272,656
Corporation tax repayable	—	41,221	—	—
VAT recoverable	—	10,132	2,300	1,260
Other debtors	35,309	6,286	—	1,000
Directors current accounts	—	—	—	3,738
Prepayments and accrued income	137,398	91,629	—	—
	<u>3,162,903</u>	<u>2,102,212</u>	<u>250,956</u>	<u>278,654</u>

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15. CREDITORS: Amounts falling due within one year

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Bank loans and overdrafts	1,883,963	1,067,788	89,462	87,957
Trade creditors	1,262,157	836,450	1,806	–
Amounts owed to group undertakings	–	–	360,000	360,134
Hire purchase agreements	34,558	61,041	5,919	7,200
Directors' loan accounts	22,273	18,254	281	–
Other creditors including taxation and social security:				
Corporation tax	38,851	–	19,460	–
Other taxation and social security	251,691	125,060	1,637	1,374
Other creditors	74,976	67,212	–	–
Accruals and deferred income	340,255	324,725	4,341	5,250
	<u>3,908,724</u>	<u>2,500,530</u>	<u>482,906</u>	<u>461,915</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Bank loans and overdrafts	<u>1,883,963</u>	<u>1,067,788</u>	<u>89,462</u>	<u>87,957</u>

16. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Bank loans and overdrafts	466,026	556,992	466,026	556,992
Hire purchase agreements	98,230	90,504	19,731	5,400
	<u>564,256</u>	<u>647,496</u>	<u>485,757</u>	<u>562,392</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Bank loans and overdrafts	<u>466,026</u>	<u>556,992</u>	<u>466,026</u>	<u>556,992</u>

Bank borrowings are secured by bonds and floating charges provided by all of the group companies over the whole assets.

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17. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Amounts repayable:				
In one year or less or on demand	89,461	87,957	89,461	87,957
In more than one year but not more than two years	89,461	87,957	89,461	87,957
In more than two years but not more than five years	268,383	271,392	268,383	271,392
In more than five years	108,182	197,643	108,182	197,643
	<u>555,487</u>	<u>644,949</u>	<u>555,487</u>	<u>644,949</u>

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	30 Sep 11	1 Oct 10	30 Sep 11	1 Oct 10
	£	£	£	£
Amounts payable within 1 year	39,417	69,284	6,777	8,190
Amounts payable between 2 to 5 years	111,986	99,473	22,591	5,700
	<u>151,403</u>	<u>168,757</u>	<u>29,368</u>	<u>13,890</u>
Less interest and finance charges relating to future periods	(18,615)	(17,212)	(3,717)	(1,290)
	<u>132,788</u>	<u>151,545</u>	<u>25,651</u>	<u>12,600</u>

19. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was:

	Group		Company	
	Period from 2 Oct 10 to 30 Sep 11	Period from 5 Oct 09 to 1 Oct 10	Period from 2 Oct 10 to 30 Sep 11	Period from 5 Oct 09 to 1 Oct 10
	£	£	£	£
Provision brought forward	28,851	25,899	-	-
Increase in provision	9,401	2,952	-	-
Provision carried forward	<u>38,252</u>	<u>28,851</u>	<u>-</u>	<u>-</u>

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19. DEFERRED TAXATION *(continued)*

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	30 Sep 11		1 Oct 10	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>38,252</u>	<u>-</u>	<u>28,851</u>	<u>-</u>

20. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2011 the group had annual commitments under non-cancellable operating leases as set out below.

Group	30 Sep 11		1 Oct 10	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	160,000	20,498	160,000	14,532
Within 2 to 5 years	<u>41,920</u>	<u>2,736</u>	<u>-</u>	<u>9,554</u>
	<u>201,920</u>	<u>23,234</u>	<u>160,000</u>	<u>24,086</u>

21. RELATED PARTY TRANSACTIONS

The company was under the control of its director, Keith Crawford throughout the current and previous year.

During the year, several directors within the group advanced funds to the group companies and at the year end, were due to receive £22,273 (2010 - £18,254) from the group. These loans have no set repayment terms and do not attract interest.

22. SHARE CAPITAL

Allotted, called up and fully paid:

	30 Sep 11		1 Oct 10	
	No	£	No	£
7,482,200 Ordinary shares of £0.01 each	<u>7,482,200</u>	<u>74,822</u>	<u>7,482,200</u>	<u>74,822</u>

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23. RESERVES

Group	Profit and loss account £
Balance brought forward	2,862,934
Profit for the period	354,705
Equity dividends	(48,000)
Balance carried forward	<u>3,169,639</u>
 Company	 Profit and loss account £
Balance brought forward	571,978
Profit for the period	157,989
Equity dividends	(48,000)
Balance carried forward	<u>681,967</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Sep 11 £	1 Oct 10 £
Profit for the financial period	354,705	134,958
Equity dividends	(48,000)	–
Net addition to shareholders' funds	<u>306,705</u>	<u>134,958</u>
Opening shareholders' funds	2,937,756	2,802,798
Closing shareholders' funds	<u>3,244,461</u>	<u>2,937,756</u>