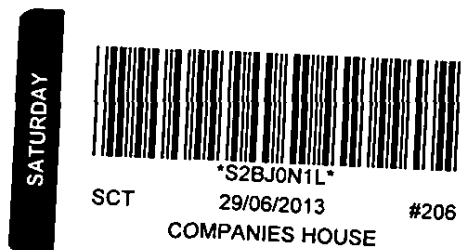


EVOTEK LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2012



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

EVOTEK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

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EVOTEK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	K.D. Crawford L.A. Crawford
Company secretary	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 Bank of Scotland plc Queens Cross Branch 3 – 5 Albyn Placs Aberdeen AB10 1PY
Solicitors	Thorntons Law LLP Whitehall House 33 Yeaman Shore Dundee DD1 4BJ

EVOTEK LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 September 2012.

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 expected the group had a good year, with increased turnover and margin compared to the year end 2011 results. With Pacson's order book increasing month on month, the outlook for the forthcoming year is expected to show further growth.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £499,677. Particulars of dividends paid are detailed in note 10 to the financial statements.

DIRECTORS

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

K.D. Crawford
L.A. Crawford

EVOTEK LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2012

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



K.D. Crawford
Director

Approved by the directors on 28 June 2013

EVOTEK LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 SEPTEMBER 2012

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 year.

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
YEAR ENDED 30 SEPTEMBER 2012

We have audited the group and parent company financial statements ("the financial statements") of Evotek Limited for the year ended 30 September 2012 on pages 7 to 26. 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 2012 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

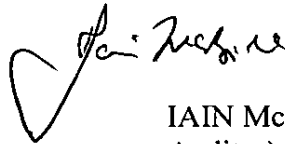
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EVOTEK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EVOTEK LIMITED *(continued)*
YEAR ENDED 30 SEPTEMBER 2012

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

28 June 2013

EVOTEK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2012

		Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
GROUP TURNOVER	Note 2	11,732,955	10,260,130
Cost of sales		5,555,632	5,247,687
GROSS PROFIT		6,177,323	5,012,443
Distribution costs		194,535	135,717
Administrative expenses		5,335,388	4,418,069
Other operating income	3	(17,000)	—
OPERATING PROFIT	4	664,400	458,657
Interest receivable		5,721	3,925
Interest payable and similar charges	7	(63,858)	(59,887)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		606,263	402,695
Tax on profit on ordinary activities	8	106,586	47,990
PROFIT FOR THE FINANCIAL YEAR	9	499,677	354,705

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
year 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 13 to 26 form part of these financial statements.

EVOTEK LIMITED
GROUP BALANCE SHEET
30 SEPTEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Intangible assets	11	626,648	672,912
Tangible assets	12	1,112,952	765,865
		<u>1,739,600</u>	<u>1,438,777</u>
CURRENT ASSETS			
Stocks	14	3,278,126	2,510,785
Debtors	15	2,709,687	3,162,903
Cash at bank and in hand		425,182	643,228
		<u>6,412,995</u>	<u>6,316,916</u>
CREDITORS: Amounts falling due within one year	16	3,741,460	3,908,724
NET CURRENT ASSETS		<u>2,671,535</u>	<u>2,408,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,411,135</u>	<u>3,846,969</u>
CREDITORS: Amounts falling due after more than one year	17	544,800	564,256
PROVISIONS FOR LIABILITIES			
Deferred taxation	20	53,455	38,252
Government grants	21	93,742	—
		<u>3,719,138</u>	<u>3,244,461</u>
CAPITAL AND RESERVES			
Called-up equity share capital	24	74,822	74,822
Profit and loss account	25	3,644,316	3,169,639
SHAREHOLDERS' FUNDS	26	<u>3,719,138</u>	<u>3,244,461</u>

These financial statements were approved by the directors and authorised for issue on 28 June 2013 and are signed on their behalf by:


K.D. CRAWFORD
Director

The notes on pages 13 to 26 form part of these financial statements.

EVOTEK LIMITED**BALANCE SHEET****30 SEPTEMBER 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	12	38,066	31,709
Investments	13	1,313,042	1,313,042
		<u>1,351,108</u>	<u>1,344,751</u>
CURRENT ASSETS			
Debtors	15	127,898	250,956
Cash at bank		68,515	129,745
		<u>196,413</u>	<u>380,701</u>
CREDITORS: Amounts falling due within one year	16	<u>337,635</u>	<u>482,906</u>
NET CURRENT LIABILITIES		(141,222)	(102,205)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,209,886</u>	<u>1,242,546</u>
CREDITORS: Amounts falling due after more than one year	17	380,242	485,757
		<u>829,644</u>	<u>756,789</u>
CAPITAL AND RESERVES			
Called-up equity share capital	24	74,822	74,822
Profit and loss account	25	754,822	681,967
SHAREHOLDERS' FUNDS		<u>829,644</u>	<u>756,789</u>

These financial statements were approved by the directors and authorised for issue on 28 June 2013 and are signed on their behalf by:

K.D. CRAWFORD
Director



Company Registration Number: SC270149

The notes on pages 13 to 26 form part of these financial statements.

EVOTEK LIMITED
GROUP CASH FLOW
YEAR ENDED 30 SEPTEMBER 2012

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	929,312	(336,323)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	5,721	3,925
Interest paid	(55,893)	(53,049)
Interest element of hire purchase	<u>(7,965)</u>	<u>(6,838)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(58,137)	(55,962)
TAXATION	(38,851)	41,483
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(589,793)	(216,277)
Receipts from sale of fixed assets	<u>31,102</u>	<u>30,701</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(558,871)	(185,576)
EQUITY DIVIDENDS PAID	(25,000)	(48,000)
CASH (OUTFLOW) BEFORE FINANCING	248,453	(584,378)
FINANCING		
Repayment of bank loans	(91,767)	(89,461)
Capital element of hire purchase	114,524	(18,757)
New grants received	<u>93,742</u>	<u>-</u>
NET CASH OUTFLOW FROM FINANCING	116,499	(108,218)
(DECREASE) IN CASH	<u>364,952</u>	<u>(692,596)</u>

The notes on pages 13 to 26 form part of these financial statements.

EVOTEK LIMITED
GROUP CASH FLOW
YEAR ENDED 30 SEPTEMBER 2012

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES**

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Operating profit	664,399	458,657
Amortisation	46,264	46,268
Depreciation	213,647	228,046
Profit on disposal of fixed assets	(1,953)	(3,272)
(Increase) in stocks	(767,341)	(507,761)
Decrease/(increase) in debtors	453,216	(1,101,912)
Increase in creditors	321,080	549,651
Net cash (outflow)/inflow from operating activities	<u>929,312</u>	<u>(336,323)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	30 Sep 12 £	30 Sep 11 £
(Decrease) in cash in the period	364,952	(692,596)
Net cash outflow from bank loans	91,767	89,461
Cash inflow/(outflow) in respect of hire purchase	(114,524)	18,757
Cash inflow from grants received	<u>(93,472)</u>	
Change in net debt	248,453	(584,378)
Net debt at 1 October 2011	(1,899,549)	(1,315,171)
Net debt at 30 September 2012	<u>(1,651,096)</u>	<u>(1,899,549)</u>

The notes on pages 13 to 26 form part of these financial statements.

EVOTEK LIMITED
GROUP CASH FLOW
YEAR ENDED 30 SEPTEMBER 2012

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Oct 2011 £	Cash flows £	At 30 Sep 2012 £
Net cash:			
Cash in hand and at bank	643,228	(218,046)	425,182
Overdrafts	(1,794,501)	582,998	(1,211,503)
	<u>(1,151,273)</u>	<u>364,952</u>	<u>(786,321)</u>
Debt:			
Debt due within 1 year	(149,462)	(97,203)	(246,665)
Debt due after 1 year	(466,026)	95,228	(370,798)
Hire purchase agreements	(132,788)	(114,524)	(247,312)
	<u>(748,276)</u>	<u>116,499</u>	<u>(864,775)</u>
Net debt	<u>(1,899,549)</u>	<u>248,453</u>	<u>(1,651,096)</u>

The notes on pages 13 to 26 form part of these financial statements.

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

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 20 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

Since 1 October 2008, 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. The company does not carry out research work.

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
YEAR ENDED 30 SEPTEMBER 2012

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 or 25% reducing balance
Fixtures & Fittings	- 10 - 25% straight line or 15 - 25% reducing balance
Motor Vehicles	- 25% straight line or 25% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

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 sum of digits 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.

Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

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.

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.

Employer financed retirement benefit schemes (EFRBS)

During the year the company's subsidiary, Pacson Limited, established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, the Pacson Limited 2012 EFRBS ("the Scheme").

In accordance with UITF Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the group and the subsidiary company do not include the assets and liabilities of the Scheme on their balance sheets to the extent that they consider that they will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

Government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. TURNOVER

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

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
United Kingdom	7,902,221	7,178,085
Overseas	3,830,734	3,082,045
	<u>11,732,955</u>	<u>10,260,130</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

3. OTHER OPERATING INCOME

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Other operating income	<u>17,000</u>	<u>—</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Amortisation of intangible assets	46,264	46,268
Depreciation of owned fixed assets	179,099	196,631
Depreciation of assets held under hire purchase agreements	34,548	25,415
Profit on disposal of fixed assets	(1,953)	(3,272)
Auditor's remuneration		
- as auditor	16,896	16,200
- for other services	12,235	12,190
Operating lease costs:		
- Other	250,958	227,046
Net (profit)/loss on foreign currency translation	<u>(1,709)</u>	<u>30,922</u>

Auditor's fees

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

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Audit	16,896	16,200
Accountancy	4,400	5,200
Payroll	3,480	2,640
Business consultancy	4,355	4,350
	<u>29,131</u>	<u>28,390</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

5. PARTICULARS OF EMPLOYEES

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

	Year to 30 Sep 12	Period from 2 Oct 10 to 30 Sep 11
	No	No
Number of production staff	85	81
Number of administrative staff	9	12
Number of management staff	6	8
	<u>100</u>	<u>101</u>

The aggregate payroll costs of the above were:

	Year to 30 Sep 12	Period from 2 Oct 10 to 30 Sep 11
	£	£
Wages and salaries	2,880,532	2,627,093
Social security costs	288,906	272,825
Other pension costs	591,802	80,647
	<u>3,761,240</u>	<u>2,980,565</u>

6. DIRECTORS' REMUNERATION

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

	Year to 30 Sep 12	Period from 2 Oct 10 to 30 Sep 11
	£	£
Remuneration receivable	189,985	185,150
Value of company pension contributions to money purchase schemes	6,809	6,809
	<u>196,794</u>	<u>191,959</u>

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

	Year to 30 Sep 12	Period from 2 Oct 10 to 30 Sep 11
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

6. DIRECTORS' REMUNERATION *(continued)*

During the year the subsidiary company, Pacson Limited, in order to motivate and incentivise its officers and employees established an employer financed retirement benefit scheme for the benefit of the subsidiary company's officers, employees and wider families, The Pacson Limited 2012 EFRBS ("the Scheme"). The Scheme contributions made during the year amounted to £500,200. Because the value created in the Scheme is held on terms which are discretionary and no earmarking has yet taken place, it is not considered that these amounts can be regarded as directors' remuneration and, therefore, these amounts have been excluded from the overall figure above and the remuneration of the highest paid director

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Interest payable on bank borrowing	55,434	50,440
Finance charges	7,965	6,838
Other similar charges payable	459	2,609
	<u>63,858</u>	<u>59,887</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 24% (2011 – 20%)	91,383	38,851
Under/over provision - prior year	-	(262)
Total current tax	91,383	38,589
Deferred tax:		
Origination and reversal of timing differences	15,203	9,401
Tax on profit on ordinary activities	<u>106,586</u>	<u>47,990</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2011 - 20%).

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Profit on ordinary activities before taxation	606,263	402,695
Profit on ordinary activities by rate of tax	145,503	80,539
Expenses not deductible for tax purposes	1,475	2,213
Capital allowances for period in excess of depreciation	1,767	(6,959)
Tax credit on R&D	(59,364)	(46,139)
Over provision in prior year	-	(262)
Amortisation of goodwill	9,902	8,252
Tax chargeable at different rates	(7,900)	945
Total current tax (note 8(a))	<u>91,383</u>	<u>38,589</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £97,855 (2011 - £157,989).

10. DIVIDENDS

Equity dividends

	Year to 30 Sep 12 £	Period from 2 Oct 10 to 30 Sep 11 £
Paid		
Equity dividends on ordinary shares	<u>25,000</u>	<u>48,000</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2012

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Development costs & design rights £	Total £
COST			
At 1 October 2011 and 30 September 2012	<u>825,207</u>	<u>326,671</u>	<u>1,151,878</u>
AMORTISATION			
At 1 October 2011	165,040	313,926	478,966
Charge for the year	<u>41,260</u>	<u>5,004</u>	<u>46,264</u>
At 30 September 2012	<u>206,300</u>	<u>318,930</u>	<u>525,230</u>
NET BOOK VALUE			
At 30 September 2012	<u>618,907</u>	<u>7,741</u>	<u>626,648</u>
At 30 September 2011	<u>660,167</u>	<u>12,745</u>	<u>672,912</u>

12. TANGIBLE FIXED ASSETS

Group	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 October 2011	3,907,727	783,652	138,953	4,830,332
Additions	506,037	41,036	42,720	589,793
Disposals	—	—	(47,455)	(47,455)
At 30 September 2012	<u>4,413,764</u>	<u>824,688</u>	<u>134,218</u>	<u>5,372,670</u>
DEPRECIATION				
At 1 October 2011	3,306,433	703,893	54,141	4,064,467
Charge for the year	164,018	29,284	20,345	213,647
On disposals	—	—	(18,396)	(18,396)
At 30 September 2012	<u>3,470,451</u>	<u>733,177</u>	<u>56,090</u>	<u>4,259,718</u>
NET BOOK VALUE				
At 30 September 2012	<u>943,313</u>	<u>91,511</u>	<u>78,128</u>	<u>1,112,952</u>
At 30 September 2011	<u>601,294</u>	<u>79,759</u>	<u>84,812</u>	<u>765,865</u>

Hire purchase agreements

Included within the net book value of £1,112,952 is £338,383 (2011 - £164,844) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £34,548 (2011 - £25,415).

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12. TANGIBLE FIXED ASSETS *(continued)*

Company	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 October 2011	1,268	36,320	37,588
Additions	—	42,720	42,720
Disposals	—	(36,320)	(36,320)
At 30 September 2012	<u>1,268</u>	<u>42,720</u>	<u>43,988</u>
DEPRECIATION			
At 1 October 2011	434	5,445	5,879
Charge for the year	504	6,799	7,303
On disposals	—	(7,260)	(7,260)
At 30 September 2012	<u>938</u>	<u>4,984</u>	<u>5,922</u>
NET BOOK VALUE			
At 30 September 2012	<u>330</u>	<u>37,736</u>	<u>38,066</u>
At 30 September 2011	<u>834</u>	<u>30,875</u>	<u>31,709</u>

Hire purchase agreements

Included within the net book value of £38,066 is £37,736 (2011 - £30,875) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,799 (2011 - £5,445).

EVOTEK LIMITED
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13. 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	2012	2011
	£	£
Pacson Limited	3,276,049	2,936,611
B&A Hydraulics Limited	<u>307,580</u>	<u>203,936</u>
Profit and (loss) for the year		
Pacson Limited	339,438	107,157
B&A Hydraulics Limited	<u>103,644</u>	<u>130,819</u>

COST	£
At 1 October 2011 and 30 September 2012	<u>1,313,042</u>
NET BOOK VALUE	
At 30 September 2012 and 30 September 2011	<u>1,313,042</u>

14. STOCKS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Raw materials	205,013	209,864	—	—
Finished goods	1,163,166	325,184	—	—
Work in progress	<u>1,909,947</u>	<u>1,975,737</u>	<u>—</u>	<u>—</u>
	<u>3,278,126</u>	<u>2,510,785</u>	<u>—</u>	<u>—</u>

15. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	2,453,595	2,990,196	—	—
Amounts owed by group undertakings	—	—	124,656	248,656
VAT recoverable	—	—	3,242	2,300
Other debtors	4,389	35,309	—	—
Prepayments and accrued income	<u>251,703</u>	<u>137,398</u>	<u>—</u>	<u>—</u>
	<u>2,709,687</u>	<u>3,162,903</u>	<u>127,898</u>	<u>250,956</u>

EVOTEK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	1,304,426	1,883,963	92,923	89,462
Trade creditors	1,461,623	1,262,157	1,744	1,806
Amounts owed to group undertakings	—	—	203,042	360,000
Hire purchase agreements	73,310	34,558	6,667	5,919
Directors' loan accounts	23,928	22,273	1,936	281
Other creditors including taxation and social security:				
Corporation tax	91,383	38,851	25,731	19,460
Other taxation and social security	154,191	251,691	701	1,637
Other creditors	30,408	74,976	—	—
Accruals and deferred income	602,191	340,255	4,891	4,341
	<u>3,741,460</u>	<u>3,908,724</u>	<u>337,635</u>	<u>482,906</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>1,304,426</u>	<u>1,883,963</u>	<u>92,923</u>	<u>89,462</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	370,798	466,026	370,798	466,026
Hire purchase agreements	174,002	98,230	9,444	19,731
	<u>544,800</u>	<u>564,256</u>	<u>380,242</u>	<u>485,757</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>370,798</u>	<u>466,026</u>	<u>370,798</u>	<u>466,026</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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18. CREDITORS - CAPITAL INSTRUMENTS

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts repayable:				
In one year or less or on demand	92,922	89,461	92,922	89,461
In more than one year but not more than two years	92,922	89,461	92,922	89,461
In more than two years but not more than five years	277,876	268,383	277,876	268,383
In more than five years	–	108,182	–	108,182
	<u>463,720</u>	<u>555,487</u>	<u>463,720</u>	<u>555,487</u>

19. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts payable within 1 year	83,561	39,417	7,565	6,777
Amounts payable between 2 to 5 years	196,128	111,986	10,887	22,591
	<u>279,689</u>	<u>151,403</u>	<u>18,452</u>	<u>29,368</u>
Less interest and finance charges relating to future periods	(32,378)	(18,615)	(2,341)	(3,717)
	<u>247,311</u>	<u>132,788</u>	<u>16,111</u>	<u>25,651</u>

20. DEFERRED TAXATION

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

	Group		Company	
	Year to	Period from	Year to	Period from
	30 Sep 12	2 Oct 10 to	30 Sep 12	2 Oct 10 to
	£	30 Sep 11	£	30 Sep 11
Provision brought forward	38,252	28,851	-	-
Increase in provision	15,203	9,401	-	-
Provision carried forward	<u>53,455</u>	<u>38,252</u>	<u>-</u>	<u>-</u>

EVOTEK LIMITED
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20. DEFERRED TAXATION *(continued)*

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

Group	2012		2011	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>53,455</u>	<u>-</u>	<u>38,252</u>	<u>-</u>

21. GOVERNMENT GRANTS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Received and receivable:				
Receivable during year	<u>93,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2012	<u>93,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation:				
At 30 September 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net balance at 30 September 2012	<u>93,742</u>	<u>-</u>	<u>-</u>	<u>-</u>

22. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2012 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	160,000	26,612	160,000	20,498
Within 2 to 5 years	<u>39,750</u>	<u>20,091</u>	<u>41,920</u>	<u>2,736</u>
	<u>199,750</u>	<u>46,703</u>	<u>201,920</u>	<u>23,234</u>

23. RELATED PARTY TRANSACTIONS

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

Certain of the group directors have previously advanced funds to group companies and, at the year end, they were due to receive £23,928 (2011 - £22,273) from the group. These advances have no set repayment terms and do not attract interest.

EVOTEK LIMITED
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24. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
7,482,200 Ordinary shares of £0.01 each	7,482,200	74,822	7,482,200	74,822

25. RESERVES

Group	Profit and loss account £
Balance brought forward	3,169,639
Profit for the year	499,677
Equity dividends	(25,000)
Balance carried forward	3,644,316
Company	Profit and loss account £
Balance brought forward	681,967
Profit for the year	97,855
Equity dividends	(25,000)
Balance carried forward	754,822

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	499,677	354,705
Equity dividends	(25,000)	(48,000)
Net addition to shareholders' funds	474,677	306,705
Opening shareholders' funds	3,244,461	2,937,756
Closing shareholders' funds	3,719,138	3,244,461