

COMPANIES HOUSE

29 JUN 2018

EDINBURGH MAILBOX

Evotek Limited
Financial Statements
29 September 2017



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

Evotek Limited
Financial Statements
Period from 1 October 2016 to 29 September 2017

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report to the member	6
Consolidated statement of income and retained earnings	10
Company statement of income and retained earnings	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of cash flows	14
Notes to the financial statements	15

Evotek Limited
Officers and Professional Advisers

The board of directors	K.D. Crawford L.A. Crawford
Company secretary	J.S. McLaren
Registered office	Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Auditor	FourM Limited Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	Clydesdale Bank 1 Queen's Cross Aberdeen AB15 4XU
Solicitors	MacRoberts LLP River Court 5 West Victoria Dock Road Dundee Scotland DD1 3JT

Evotek Limited

Strategic Report

Period from 1 October 2016 to 29 September 2017

The directors present their strategic report for the period ended 29 September 2017.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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

The principal activity of Parson 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.

Following the oil price 'crash' in 2014, uncertainty has remained in the market throughout 2017 and into 2018. While the world oil price has recovered during this period, rising to over US \$70 a barrel consistently, and the larger projects have begun to be sanctioned, this improvement in trading condition has not yet reached all levels of the supply chain, including supply of subsea and high specification valves.

With larger projects now being sanctioned and confidence appearing to return to the market, the prospects for the group for the future years beyond 2018 are looking more favourable than in recent years.

Parson Limited continues to actively track market conditions and market press, and has continued to react accordingly, finding the right size for the current market.

Despite the continued, adverse market conditions, Pacson Limited has continued to make significant improvements in the business. We have retained the staff necessary for any upturn in the market and have accelerated our research and development program, both on existing product ranges and developing a new range of high specification valves, and we are well positioned to take advantage when the market improves.

B&A Hydraulics Limited's turnover decreased slightly due to the ongoing adverse trading conditions as mentioned previously. However, due to the company operating with a relatively low cost base which has helped insulate the business from the adverse conditions, B&A Hydraulics Limited continues to contribute positively towards the group's net profit performance.

The group continues to adapt to the market condition and the projections reflect this. The group continues to develop its customer base and to introduce new products.

PRINCIPAL RISKS AND UNCERTAINTIES

Liquidity Risk

The group aims to mitigate liquidity risk by managing cash generated by its operations and having access to adequate working capital borrowing facilities. Cash resources are formally monitored weekly to ensure funds are always available to meet company requirements.

Credit Risk

The group undertakes periodic assessments of its external debtors in order to ensure that credit is not extended if there is any likelihood of default. The amount of exposure to individual customers is subject to a limit, and this is reassessed regularly by the Accounts team reporting to the directors.

Interest Rate Risk

The group may make use of bank borrowings to finance its operations during peak trading periods. Due to current cash resources, the directors do not deem it necessary at this time to hedge against interest rate fluctuations.

FINANCIAL PERFORMANCE INDICATORS

The group measures its ongoing performance at every activity level against annual budgets and certain key performance indicators, including working capital controls.

RESULTS FOR THE PERIOD

The group's profit for the period, after taxation, amounted to £216,146 (2016 - £249,856).

Evotek Limited

Strategic Report *(continued)*

Period from 1 October 2016 to 29 September 2017

DEVELOPMENT AND PERFORMANCE OF GROUP'S BUSINESS OVER THE PERIOD

The group continued with its principal activities based around the oil services industry.

POSITION AT THE PERIOD END

The steady increase in the world wide price of oil during 2017 and 2018 has not yet started to positively impact on the level of business obtained by the group. In the period to 29 September 2017 and since then, the group has continued to take measures to achieve cost reductions. As a consequence, these cost reduction measures have helped to balance the drop in business revenues. Whilst always on the look out for business opportunities when they arise, these cost-reduction measures have helped to limit the adverse impact presently.

KEY PERFORMANCE INDICATORS

The group used a number of appropriate key performance measures to monitor the performance of the businesses during the period to 29 September 2017.

FUTURE DEVELOPMENTS

The group intends to continue to focus on its activities in the oil services industry. Following the period end, the group has gone through a restructuring exercise and created two separate trading groups. This has been done to assist each business take the best advantage of future growth prospects in the recovering oil sector industry.

Evotek Limited will continue to own and manage B&A Hydraulics Limited, while Pacson Limited has been de-merged into a new trading group

Both groups will continue to be controlled by K.D. Crawford who is committed to the future growth of both Pacson and B&A Hydraulics businesses and who does not envisage any operational issues as a result of the restructuring.

This report was approved by the board of directors on 29 June 2018 and signed on behalf of the board by:

K.D. Crawford
Director



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

Evotek Limited

Directors' Report

Period from 1 October 2016 to 29 September 2017

The directors present their report and the financial statements of the group for the period ended 29 September 2017.

Directors

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

K.D. Crawford
L.A. Crawford

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 31 to the financial statements.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 29 June 2018 and signed on behalf of the board by:

K.D. Crawford
Director



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

Evotek Limited

Directors' Responsibilities Statement

Period from 1 October 2016 to 29 September 2017

The directors are responsible for preparing the strategic report, 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 period. 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Evotek Limited

Independent Auditor's Report to the Member of Evotek Limited

Period from 1 October 2016 to 29 September 2017

Opinion

We have audited the financial statements of Evotek Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 29 September 2017 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 September 2017 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Evotek Limited

Independent Auditor's Report to the Member of Evotek Limited *(continued)*

Period from 1 October 2016 to 29 September 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Evotek Limited

Independent Auditor's Report to the Member of Evotek Limited (continued)

Period from 1 October 2016 to 29 September 2017

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Evotek Limited

Independent Auditor's Report to the Member of Evotek Limited *(continued)*

Period from 1 October 2016 to 29 September 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Iain McBride M.A., C.A. (Senior Statutory Auditor)

For and on behalf of
FourM Limited
Chartered Accountants & Statutory Auditor

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

29 June 2018

Evotek Limited
Consolidated Statement of Income and Retained Earnings
Period from 1 October 2016 to 29 September 2017

		Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 (restated)
	Note	£	£
Turnover	4	7,807,481	7,911,659
Cost of sales		3,018,297	2,511,140
Gross profit		4,789,184	5,400,519
Distribution costs		59,743	93,841
Administrative expenses		4,406,069	4,934,760
Other operating income	5	12,648	12,648
Redundancy costs		90,904	79,023
Operating profit	6	245,116	305,543
Other interest receivable and similar income	10	113	353
Interest payable and similar expenses	11	38,839	68,440
Profit before taxation		206,390	237,456
Tax on profit	12	(9,756)	(12,400)
Profit for the financial period and total comprehensive income		216,146	249,856
Dividends paid and payable	13	(75,000)	(80,000)
Retained earnings at the start of the period		5,922,529	5,752,673
Retained earnings at the end of the period		6,063,675	5,922,529

All the activities of the group are from continuing operations.

The notes on pages 15 to 29 form part of these financial statements.

Evotek Limited
Company Statement of Income and Retained Earnings
Period from 1 October 2016 to 29 September 2017

		Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 (restated)
	Note	£	£
Profit for the financial period and total comprehensive income		143,471	228,446
Dividends paid and payable	13	(75,000)	(80,000)
Retained earnings at the start of the period		<u>1,245,663</u>	<u>1,097,217</u>
Retained earnings at the end of the period		<u>1,314,134</u>	<u>1,245,663</u>

The notes on pages 15 to 29 form part of these financial statements.

Evotek Limited
Consolidated Statement of Financial Position
29 September 2017

			29 Sep 17	30 Sep 16 (restated)
	Note		£	£
Fixed assets				
Intangible assets	14		918,928	453,867
Tangible assets	15		<u>1,222,373</u>	<u>1,438,404</u>
			2,141,301	1,892,271
Current assets				
Stocks	17	2,718,573		3,667,430
Debtors	18	2,717,591		2,975,556
Cash at bank and in hand		<u>1,022,014</u>		<u>1,278,173</u>
		6,458,178		7,921,159
Creditors: amounts falling due within one year	20	<u>1,955,299</u>		<u>3,095,434</u>
Net current assets			4,502,879	4,825,725
Total assets less current liabilities			6,644,180	6,717,996
Creditors: amounts falling due after more than one year	21		174,730	327,847
Provisions for liabilities				
Deferred tax	23		<u>143,300</u>	<u>205,145</u>
Net assets			<u>6,326,150</u>	<u>6,185,004</u>
Capital and reserves				
Called up share capital	28		74,822	74,822
Capital redemption reserve	29		187,653	187,653
Profit and loss account	29		<u>6,063,675</u>	<u>5,922,529</u>
Shareholder funds			<u>6,326,150</u>	<u>6,185,004</u>

These financial statements were approved by the board of directors and authorised for issue on 29 June 2018, and are signed on behalf of the board by:

K.D. Crawford
Director



Company registration number: SC270149

The notes on pages 15 to 29 form part of these financial statements.

Evotek Limited
Company Statement of Financial Position
29 September 2017

			29 Sep 17	30 Sep 16 (restated)
	Note		£	£
Fixed assets				
Investments	16		1,313,042	1,313,042
Current assets				
Debtors	18	15,656		656
Cash at bank and in hand		518,189		450,641
		533,845		451,297
Creditors: amounts falling due within one year	20	270,278		192,205
Net current assets			263,567	259,092
Total assets less current liabilities			1,576,609	1,572,134
Creditors: amounts falling due after more than one year	21		–	63,996
Net assets			1,576,609	1,508,138
Capital and reserves				
Called up share capital	28		74,822	74,822
Capital redemption reserve	29		187,653	187,653
Profit and loss account	29		1,314,134	1,245,663
Shareholder funds			1,576,609	1,508,138

The profit for the financial period of the parent company was £143,471 (2016: £228,446).

These financial statements were approved by the board of directors and authorised for issue on 29 June 2018, and are signed on behalf of the board by:

K.D. Crawford
Director



Company registration number: SC270149

The notes on pages 15 to 29 form part of these financial statements.

Evotek Limited

Consolidated Statement of Cash Flows

Period from 1 October 2016 to 29 September 2017

	Note	29 Sep 17 £	30 Sep 16 (restated) £
Cash flows from operating activities			
Profit for the financial period		216,146	249,856
<i>Adjustments for:</i>			
Depreciation of tangible assets		412,435	402,172
Amortisation of intangible assets		41,260	41,260
Government grant income		(12,648)	(12,648)
Other interest receivable and similar income		(113)	(353)
Interest payable and similar expenses		38,839	68,440
Tax on profit		(9,756)	(12,400)
Accrued income		(469)	(223,839)
<i>Changes in:</i>			
Stocks		948,857	(418,255)
Trade and other debtors		257,965	(837,337)
Trade and other creditors		(90,505)	73,215
Cash generated from operations		1,802,011	(669,889)
Interest paid		(38,839)	(68,440)
Interest received		113	353
Tax paid		(25,025)	(1,225)
Net cash from/(used in) operating activities		<u>1,738,260</u>	<u>(739,201)</u>
Cash flows from investing activities			
Purchase of tangible assets		(196,404)	(125,687)
Purchase of intangible assets		(506,321)	–
Net cash used in investing activities		<u>(702,725)</u>	<u>(125,687)</u>
Cash flows from financing activities			
Repayment of borrowings		(69,681)	(67,768)
Government grant income		12,648	12,648
Payments of finance lease liabilities		(88,160)	(48,536)
Dividends paid		(75,000)	(80,000)
Net cash used in financing activities		<u>(220,193)</u>	<u>(183,656)</u>
Net increase/(decrease) in cash and cash equivalents		815,342	(1,048,544)
Cash and cash equivalents at beginning of period		(541,234)	507,310
Cash and cash equivalents at end of period	19	<u>274,108</u>	<u>(541,234)</u>

The notes on pages 15 to 29 form part of these financial statements.

Evotek Limited

Notes to the Financial Statements

Period from 1 October 2016 to 29 September 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Stannergate House, 41 Dundee Road West, Broughty Ferry, Dundee, DD5 1NB.

The trading address of the company is Unit F, Claverhouse Industrial Park, Dundee, DD4 9UA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The group's forecasts and projections, taking account of reasonable changes in trading performance, indicate that the group plans to operate within cash generated. The directors confirm that, after making appropriate enquiries, it has reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the group continues to adopt the going concern basis in preparing these financial statements.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of income and retained earnings.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Stock provision

In arriving at the valuation of stock it may be necessary for management to make an assessment over the carrying value of stock items and, where applicable, apply a provision to amend this carrying value to an approximation to net realisable value. These provisions are arrived at using management's knowledge and understanding of the business and the industry in which it operates and focuses on potentially obsolete or old items for which the full value may no longer be recoverable.

Bad debt provision

During the course of the year and during the year end process, management are required to determine whether any debts should be regarded as bad debts. This process is based on their knowledge of the business coupled with post year end information identifying debts not recovered relating to the previous financial period.

Provision for liquidated damages

Management uses post year end information and correspondence with customers to estimate provisions for liquidated damages. This identifies costs that are expected to be incurred by way of goods and services provided to other parties. Liquidated damages provisions are only released when there is a reasonable expectation that these costs will not be incurred in the future.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

3. Accounting policies *(continued)*

Corporation tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life.

Intangible assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

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

Goodwill	- 20% straight line
Design Rights	- 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

3. Accounting policies *(continued)*

Research and development

The company's policy is to defer expenditure on product development and then start to amortise the deferred costs from the point at which the developed products do not require further significant development and start to generate normal gross profit amounts. The development expenditure is incurred in meeting sales orders for new specification valves using existing specification products as a platform for development.

The amount of expenditure deferred is the amount determined to be the lost gross profit as a result of the development work compared with the normal gross profit achieved on the platform products. The company expects to recover this development expenditure from enhanced gross profit from future sales of the new specification products.

The amortisation period is estimated to be 5 years which is the directors' view of the minimum period the company will be able to benefit from sales of new specification products at higher gross profit margins. Where the directors become aware that the new specification products will have a shorter sales period at higher gross profit margins than 5 years then the deferred development expenditure will be either amortised over the new shorter life or written off where no further higher margin sales are expected.

The company does not undertake pure research work.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Plant & Machinery	- 6.67% - 25% straight line
Fixtures & Fittings	- 10%-25% straight line
Motor Vehicles	- 20%-33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Work in progress

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

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Sale of goods	7,483,481	7,154,307
Services	324,000	757,352
	<u>7,807,481</u>	<u>7,911,659</u>

The turnover is attributable to the principal activities of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
United Kingdom	2,726,286	3,802,874
Overseas	5,081,195	4,108,785
	<u>7,807,481</u>	<u>7,911,659</u>

5. Other operating income

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Amortisation of government grants	<u>12,648</u>	<u>12,648</u>

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Amortisation of intangible assets	41,260	41,260
Depreciation of tangible assets	412,435	402,172
Foreign exchange differences	(5,644)	(26,057)
Redundancy costs	90,904	79,023
Operating lease expenses	<u>228,125</u>	<u>221,987</u>

7. Auditor's remuneration

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>18,300</u>	<u>20,841</u>
Fees payable to the company's auditor and its associates for other services:		
Accountancy support	6,852	6,976
Other non-audit services	<u>5,910</u>	<u>10,583</u>
	<u>12,762</u>	<u>17,559</u>

8. Staff costs

The average number of persons employed by the group during the period, including the directors, amounted to:

	29 Sep 17 No.	30 Sep 16 No.
Production staff	67	80
Administrative staff	8	10
Management staff	8	8
	<u>83</u>	<u>98</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Wages and salaries	2,669,367	2,998,545
Social security costs	281,207	306,044
Other pension costs	<u>85,997</u>	<u>98,341</u>
	<u>3,036,571</u>	<u>3,402,930</u>

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services for the group was:

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Remuneration	303,926	292,416
Company contributions to defined contribution pension plans	13,826	13,037
	<u>317,752</u>	<u>305,453</u>

The number of directors who accrued benefits under company pension plans within the group was as follows:

	29 Sep 17	30 Sep 16 <i>(restated)</i>
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services for the group:

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Aggregate remuneration	90,255	88,509
Company contributions to defined contribution pension plans	6,123	6,528
	<u>96,378</u>	<u>95,037</u>

There is no distinction between directors and key management personnel.

10. Other interest receivable and similar income

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Interest on cash and cash equivalents	<u>113</u>	<u>353</u>

11. Interest payable and similar expenses

	Period from 1 Oct 16 to 29 Sep 17	Period from 3 Oct 15 to 30 Sep 16 <i>(restated)</i>
	£	£
Interest on banks loans and overdrafts	41,516	56,448
Interest on obligations under finance leases and hire purchase contracts	(2,677)	11,992
	<u>38,839</u>	<u>68,440</u>

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

12. Tax on profit

Major components of tax expense

	Period from 1 Oct 16 to 29 Sep 17 £	Period from 3 Oct 15 to 30 Sep 16 (restated) £
Current tax:		
UK current tax expense	52,089	25,025
Under provision - prior year	–	1,225
Total current tax	<u>52,089</u>	<u>26,250</u>
Deferred tax:		
Origination and reversal of timing differences	(61,845)	(38,650)
Tax on profit	<u>(9,756)</u>	<u>(12,400)</u>

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the period is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.50% (2016: 20%).

	Period from 1 Oct 16 to 29 Sep 17 £	Period from 3 Oct 15 to 30 Sep 16 (restated) £
Profit on ordinary activities before taxation	<u>206,390</u>	<u>237,456</u>
Profit on ordinary activities by rate of tax	40,220	47,491
Adjustment to tax charge in respect of prior periods	–	(1,998)
Effect of expenses not deductible for tax purposes	3,179	(654)
Effect of capital allowances and depreciation	(18,659)	–
Utilisation of tax losses	(42,542)	–
Amortisation of goodwill	8,046	8,252
Tax credit on R&D expenditure	–	(65,491)
Tax on profit	<u>(9,756)</u>	<u>(12,400)</u>

13. Dividends

Dividends paid during the period (excluding those for which a liability existed at the end of the prior period):

	29 Sep 17 £	30 Sep 16 (restated) £
Dividends on equity shares	<u>75,000</u>	<u>80,000</u>

Evotek Limited

Notes to the Financial Statements (continued)

Period from 1 October 2016 to 29 September 2017

14. Intangible assets

Group	Goodwill £	Development costs £	Design Rights £	Total £
Cost				
At 1 October 2016 (as restated)	825,207	–	50,000	875,207
Additions	–	506,321	–	506,321
At 29 September 2017	<u>825,207</u>	<u>506,321</u>	<u>50,000</u>	<u>1,381,528</u>
Amortisation				
At 1 October 2016	371,340	–	50,000	421,340
Charge for the period	41,260	–	–	41,260
At 29 September 2017	<u>412,600</u>	<u>–</u>	<u>50,000</u>	<u>462,600</u>
Carrying amount				
At 29 September 2017	<u>412,607</u>	<u>506,321</u>	<u>–</u>	<u>918,928</u>
At 30 September 2016	<u>453,867</u>	<u>–</u>	<u>–</u>	<u>453,867</u>

The company has no intangible assets.

15. Tangible assets

Group	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 October 2016 (as restated)	5,282,001	1,194,656	113,747	6,590,404
Additions	196,404	–	–	196,404
At 29 September 2017	<u>5,478,405</u>	<u>1,194,656</u>	<u>113,747</u>	<u>6,786,808</u>
Depreciation				
At 1 October 2016	4,045,299	1,029,763	76,938	5,152,000
Charge for the period	346,433	56,223	9,779	412,435
At 29 September 2017	<u>4,391,732</u>	<u>1,085,986</u>	<u>86,717</u>	<u>5,564,435</u>
Carrying amount				
At 29 September 2017	<u>1,086,673</u>	<u>108,670</u>	<u>27,030</u>	<u>1,222,373</u>
At 30 September 2016	<u>1,236,702</u>	<u>164,893</u>	<u>36,809</u>	<u>1,438,404</u>

Company

	Fixtures and fittings £	Total £
Cost		
At 1 October 2016 (as restated) and 29 September 2017	1,268	1,268
Depreciation		
At 1 October 2016 and 29 September 2017	1,268	1,268
Carrying amount		
At 29 September 2017	–	–
At 30 September 2016	–	–

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

15. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £	Motor vehicles £	Total £
At 29 September 2017	379,556	13,656	393,212
At 30 September 2016	437,787	18,208	455,995

The company has no tangible assets held under finance lease or hire purchase agreements.

16. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 October 2016 as restated and 29 September 2017	1,313,042
Impairment	
At 1 October 2016 as restated and 29 September 2017	—
Carrying amount	
At 1 October 2016 and 29 September 2017	1,313,042
At 30 September 2016	1,313,042

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Pacson Limited	Unit F, Claverhouse Industrial Park, Dundee, DD4 9UA Stannergate House 41 Dundee Road West, Broughty Ferry,	Ordinary	100
B&A Hydraulics Limited	Dundee, DD5 1NB	Ordinary	100

The principal activity of Pacson Limited 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 continues to be that of the rental, service and sale of oilfield equipment.

All the above subsidiaries are included in the consolidation.

Evotek Limited

Notes to the Financial Statements (continued)

Period from 1 October 2016 to 29 September 2017

17. Stocks

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Raw materials and consumables	993,995	1,909,860	–	–
Work in progress	1,724,578	1,757,570	–	–
	<u>2,718,573</u>	<u>3,667,430</u>	<u>–</u>	<u>–</u>

18. Debtors

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Trade debtors	2,488,950	2,838,567	–	–
Amounts owed by group undertakings	–	–	656	656
Prepayments and accrued income	157,530	124,989	15,000	–
Other debtors	71,111	12,000	–	–
	<u>2,717,591</u>	<u>2,975,556</u>	<u>15,656</u>	<u>656</u>

19. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	29 Sep 17	30 Sep 16 (restated)
	£	£
Cash at bank and in hand	1,022,014	1,278,173
Bank overdrafts	(747,906)	(1,819,407)
	<u>274,108</u>	<u>(541,234)</u>

20. Creditors: amounts falling due within one year

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Bank loans and overdrafts	811,902	1,887,403	63,996	67,996
Trade creditors	414,738	442,161	–	–
Amounts owed to group undertakings	–	–	159,593	88,714
Accruals and deferred income	460,989	461,458	5,000	4,600
Corporation tax	52,089	25,025	37,503	25,025
Social security and other taxes	83,104	134,012	1,437	1,436
Obligations under finance leases and hire purchase contracts	76,473	88,160	–	–
Director loan accounts	24,742	26,427	2,749	4,434
Other creditors	31,262	30,788	–	–
	<u>1,955,299</u>	<u>3,095,434</u>	<u>270,278</u>	<u>192,205</u>

The bank borrowings are secured by means of a bond and floating charge over the assets of the company. There is a cross corporate guarantee between the company and its subsidiaries, respectively Pacson Limited and B&A Hydraulics Limited.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

21. Creditors: amounts falling due after more than one year

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Bank loans and overdrafts	–	63,996	–	63,996
Accruals and deferred income	50,813	63,461	–	–
Obligations under finance leases and hire purchase contracts	123,917	200,390	–	–
	<u>174,730</u>	<u>327,847</u>	<u>–</u>	<u>63,996</u>

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Not later than 1 year	91,003	95,049	–	–
Later than 1 year and not later than 5 years	128,413	222,369	–	–
	<u>219,416</u>	<u>317,418</u>	<u>–</u>	<u>–</u>
Less: future finance charges	(19,026)	(28,868)	–	–
Present value of minimum lease payments	<u>200,390</u>	<u>288,550</u>	<u>–</u>	<u>–</u>

23. Provisions for liabilities

Group	Deferred tax (note 24) £
At 1 October 2016 (as restated)	205,145
Charge against provision	(61,845)
At 29 September 2017	<u>143,300</u>

The company does not have any provisions.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

24. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Included in provisions for liabilities (note 23)	<u>143,300</u>	<u>205,145</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Accelerated capital allowances	145,539	205,145	—	—
Pension plan obligations	(2,239)	—	(5,158)	—
	<u>143,300</u>	<u>205,145</u>	<u>(5,158)</u>	<u>—</u>

25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £85,997 (2016: £98,341).

26. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Recognised in creditors:				
Deferred government grants due within one year	12,648	12,648	—	—
Deferred government grants due after more than one year	50,813	63,461	—	—
	<u>63,461</u>	<u>76,109</u>	<u>—</u>	<u>—</u>
Recognised in other operating income:				
Government grants released to profit or loss	<u>12,648</u>	<u>12,648</u>	<u>—</u>	<u>—</u>

27. Prior period errors

It was identified in the current year that a Capital Redemption Reserve should have been created to account for the redemption by the company of Preference Share Capital in accounting periods up to 2010. No Capital Redemption Reserve has been included in prior periods. A prior period adjustment has been made to reflect the Capital Redemption Reserve showing the par value of the Preference shares redeemed of £187,653.

Evotek Limited

Notes to the Financial Statements *(continued)*

Period from 1 October 2016 to 29 September 2017

28. Called up share capital

Issued, called up and fully paid

	29 Sep 17		30 Sep 16 (restated)	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>7,482,200</u>	<u>74,822</u>	<u>7,482,200</u>	<u>74,822</u>

29. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

30. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	29 Sep 17	30 Sep 16 (restated)	29 Sep 17	30 Sep 16 (restated)
	£	£	£	£
Not later than 1 year	141,614	228,125	—	—
Later than 1 year and not later than 5 years	176,000	284,133	—	—
Later than 5 years	88,000	132,000	—	—
	<u>405,614</u>	<u>644,258</u>	<u>—</u>	<u>—</u>

31. Events after the end of the reporting period

Following the year end, a decision was made to restructure the group and create two separate trading groups with new parent companies.

In June 2018, Pacson Limited was de-merged from the Evotek Group and is now wholly owned by Macrocom (1056) Limited. B&A Hydraulics Limited will continue to be owned by Evotek Limited, which in turn will be wholly owned by Macrocom (1057) Limited.

All companies in both groups, post restructuring, remain under the control of KD Crawford via his 100% controlling interest in each of Macrocom (1056) Limited and Macrocom (1057) Limited.

Prior to the de-merger the trading companies in the Evotek Limited group had minimal inter company trading, with few synergies achieved. The creation of two separate trading groups should allow each of the trading companies, Pacson Limited and B&A Hydraulics Limited, to develop their own individual strategies and enhance their growth prospects in the recovering oil sector industry.

32. Directors' advances, credits and guarantees

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

At the year end, the company was due to repay K.D. Crawford, £2,749 (2016 - £4,434). There are no set repayment terms and no interest is being charged on the amount outstanding. This amount is shown in the above note on Creditors: Amounts falling due within one year.

During the year, K.D. Crawford received £75,000 (2016 - £80,000) of dividends from the company.

Additionally, at the year end, B&A Hydraulics Limited was due to repay M. McLauchlan, a director, £21,992 (2016 - £21,992). There are no set repayment terms and no interest is being charged on the amount outstanding. This amount is shown in the above note on Creditors: Amounts falling due within one year.