

COMPANY REGISTRATION NUMBER SC114098

PACSON LIMITED
FINANCIAL STATEMENTS
3 OCTOBER 2014



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

PACSON LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

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PACSON LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

K.D. Crawford
J.S. McLaren

Registered office

Unit F
Claverhouse Industrial Park
Dundee
DD4 9UA

Auditor

FourM Limited
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 Place
Aberdeen
AB10 1PY

Solicitors

Thorntons Law LLP
Whitehall House
33 Yeaman Shore
Dundee
DD1 4BJ

PACSON LIMITED

STRATEGIC REPORT

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

The directors present their strategic report for the period ended 3 October 2014.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

LIQUIDITY RISK

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

RESULTS FOR THE YEAR

The company's profit for the period, after taxation, amounted to £751,628 (2013 - £617,542).

DEVELOPMENT AND PERFORMANCE OF THE COMPANY'S BUSINESS OVER THE YEAR

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

POSITION AT THE YEAR END

The company continued to perform well at the period end. The directors are aware that

PACSON LIMITED

STRATEGIC REPORT *(continued)*

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

the significant drop in the world wide price of oil has had an impact on the level of business being done since the period-end, and the company has required to make some cost reductions as a consequence.

KEY PERFORMANCE INDICATORS

The company used a number of appropriate key performance measures to monitor the performance of the businesses during the period to 3 October 2014.

FUTURE DEVELOPMENTS

The company intends to continue to focus on its activities in the oil services industry and does not envisage any significant changes to its operations over the next 12 months.

Signed on behalf of the directors



K.D. Crawford

Director

Approved by the directors on 30 June 2015

PACSON LIMITED

DIRECTORS' REPORT

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

The directors present their report and the financial statements of the company for the period from 28 September 2013 to 3 October 2014.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £751,628. The directors have not recommended a dividend.

DIRECTORS

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

K.D. Crawford

J.S. McLaren

E. Bell

(Retired 20 December 2013)

STRATEGIC REPORT

The company, in accordance with section 414C(11) of the Companies Act 2006, has chosen to include information regarding the principal risks and uncertainties facing the company and a fair review of the company's business in the company's strategic report.

AUDITOR

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

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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 company's auditor is aware of that information.

Registered office:

Unit F

Claverhouse Industrial Park

Dundee

DD4 9UA

Signed on behalf of the directors



K.D. Crawford

Director

Approved by the directors on 30 June 2015

PACSON LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

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 company and of the profit or loss of the company for that period.

In preparing these 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 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.

PACSON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PACSON LIMITED PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

We have audited the financial statements of Pacson Limited for the period from 28 September 2013 to 3 October 2014 on pages 8 to 23. 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 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 October 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

PACSON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PACSON LIMITED (continued)

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

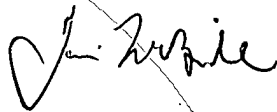
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 MA CA (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
30 June 2015

PACSON LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014**

		Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
TURNOVER	Note		
	2	13,646,153	12,007,541
Change in stocks of finished goods and work in progress		1,623,969	485,077
		<u>15,270,122</u>	<u>12,492,618</u>
Raw materials and consumables		8,331,767	6,114,104
Staff costs	3	4,071,079	3,721,303
Depreciation written off fixed assets	4	215,852	170,179
Other operating charges		<u>1,716,542</u>	<u>1,653,586</u>
OPERATING PROFIT	4	<u>934,882</u>	<u>833,446</u>
Interest receivable		11,102	16,937
Interest payable and similar charges	7	<u>(52,677)</u>	<u>(46,763)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>893,307</u>	<u>803,620</u>
Tax on profit on ordinary activities	8	141,679	186,078
PROFIT FOR THE FINANCIAL PERIOD		<u>751,628</u>	<u>617,542</u>
Balance brought forward		2,162,397	1,544,855
Balance carried forward		<u>2,914,025</u>	<u>2,162,397</u>

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

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


The notes on pages 10 to 23 form part of these financial statements.

PACSON LIMITED**BALANCE SHEET****3 OCTOBER 2014**

	Note	3 Oct 14 £	27 Sep 13 £
FIXED ASSETS			
Intangible assets	9	—	—
Tangible assets	10	1,070,371	893,608
		<u>1,070,371</u>	<u>893,608</u>
CURRENT ASSETS			
Stocks	11	5,182,159	3,558,190
Debtors	12	2,912,872	3,794,216
Cash at bank and in hand		258,274	234,453
		<u>8,353,305</u>	<u>7,586,859</u>
CREDITORS: Amounts falling due within one year	13	4,512,528	4,341,696
NET CURRENT ASSETS		<u>3,840,777</u>	<u>3,245,163</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,911,148</u>	<u>4,138,771</u>
CREDITORS: Amounts falling due after more than one year	14	41,514	93,109
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	123,010	72,390
Government grants	17	101,405	79,681
		<u>4,645,219</u>	<u>3,893,591</u>
CAPITAL AND RESERVES			
Called-up share capital	20	1,711,394	1,711,394
Share premium account	21	19,800	19,800
Profit and loss account		2,914,025	2,162,397
SHAREHOLDER'S FUNDS	22	<u>4,645,219</u>	<u>3,893,591</u>

These accounts were approved by the directors and authorised for issue on 30 June 2015, and are signed on their behalf by:

K.D. Crawford
Director



Company Registration Number: SC114098

The notes on pages 10 to 23 form part of these financial statements.

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

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

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts recognised on the despatch of high specification isolation valves and associated pressure containing equipment, stated net of Value Added Tax.

Research and development

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.

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:

Deferred development costs - 3 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

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

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

1. ACCOUNTING POLICIES *(continued)*

The carrying values of tangible fixed assets are reviewed for impairment in periods 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.

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 company 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 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.

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

1. ACCOUNTING POLICIES *(continued)*

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

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

Foreign currencies

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

Deferred government grants

Deferred 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 one principal activity of the company.

An analysis of turnover is given below:

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
United Kingdom	9,499,212	8,402,407
Overseas	4,146,941	3,605,134
	<u>13,646,153</u>	<u>12,007,541</u>

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

3. PARTICULARS OF EMPLOYEES

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

	Period from 28 Sep 13 to 3 Oct 14	Period from 1 Oct 12 to 27 Sep 13
	No	No
Number of production staff	87	84
Number of administrative staff	18	13
Number of management staff	6	6
	<u>111</u>	<u>103</u>

The aggregate payroll costs of the above were:

	Period from 28 Sep 13 to 3 Oct 14	Period from 1 Oct 12 to 27 Sep 13
	£	£
Wages and salaries	3,597,942	3,027,566
Social security costs	371,589	318,724
Other pension costs	101,548	375,013
	<u>4,071,079</u>	<u>3,721,303</u>

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Amortisation of government grants	(11,011)	(14,061)
Research and development expenditure written off	35,198	60,745
Depreciation of owned fixed assets	179,867	134,194
Depreciation of assets held under hire purchase agreements	35,985	35,985
Auditor's remuneration		
- as auditor	9,850	9,750
- for other services	2,640	4,307
Operating lease costs:		
- Other	196,528	186,992
Net loss on foreign currency translation	<u>40,967</u>	<u>14,669</u>

Auditor's fees

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

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Audit	9,850	9,750
Payroll	2,640	2,640
Business consultancy	-	1,667
	<u>12,490</u>	<u>14,057</u>

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

5. DIRECTORS' REMUNERATION

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

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Remuneration receivable	209,792	158,768
Value of company pension contributions to money purchase schemes	12,515	6,807
	<u>222,307</u>	<u>165,575</u>

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

	Period from 28 Sep 13 to 3 Oct 14 No	Period from 1 Oct 12 to 27 Sep 13 No
Money purchase schemes	<u>2</u>	<u>3</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions charged to the profit and loss account amounted to £101,549 (2013 - £75,013). At 3 October 2014, outstanding contributions totalling £16,028 (2013 - £11,686) are included in accruals.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Interest payable on bank borrowing	45,381	38,499
Finance charges	7,296	8,264
	<u>52,677</u>	<u>46,763</u>

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 21% (2013 - 23%)	91,059	146,522
Total current tax	91,059	146,522
Deferred tax:		
Origination and reversal of timing differences (note 16) Capital allowances	50,620	39,556
Tax on profit on ordinary activities	<u>141,679</u>	<u>186,078</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 21% (2013 - 23%).

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Profit on ordinary activities before taxation	<u>893,307</u>	<u>803,620</u>
Profit on ordinary activities by rate of tax	187,594	184,833
Deferred tax	(56,915)	(34,631)
Disallowable expenses	6,870	301
Enhanced relief for development expenditure	(52,500)	(26,214)
Ineligible additions	3,653	18,898
Tax chargeable at higher rates	4,081	3,335
Marginal relief	(1,724)	-
Total current tax (note 8(a))	<u>91,059</u>	<u>146,522</u>

PACSON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014****9. INTANGIBLE FIXED ASSETS**

	Development costs £
COST	
At 28 September 2013 and 3 October 2014	<u>276,671</u>
AMORTISATION	
At 28 September 2013 and 3 October 2014	<u>276,671</u>
NET BOOK VALUE	
At 3 October 2014	<u>—</u>
At 27 September 2013	<u>—</u>

10. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 28 September 2013	3,257,448	861,693	19,325	4,138,466
Additions	238,817	147,848	5,950	392,615
At 3 October 2014	<u>3,496,265</u>	<u>1,009,541</u>	<u>25,275</u>	<u>4,531,081</u>
DEPRECIATION				
At 28 September 2013	2,568,120	662,297	14,441	3,244,858
Charge for the period	128,300	82,864	4,688	215,852
At 3 October 2014	<u>2,696,420</u>	<u>745,161</u>	<u>19,129</u>	<u>3,460,710</u>
NET BOOK VALUE				
At 3 October 2014	<u>799,845</u>	<u>264,380</u>	<u>6,146</u>	<u>1,070,371</u>
At 27 September 2013	<u>689,328</u>	<u>199,396</u>	<u>4,884</u>	<u>893,608</u>

Hire purchase agreements

Included within the net book value of £1,070,371 is £202,206 (2013 - £238,192) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £35,985 (2013 - £35,985).

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

11. STOCKS

	3 Oct 14	27 Sep 13
	£	£
Raw materials and finished goods	2,684,373	1,141,717
Work in progress	2,497,786	2,416,473
	<u>5,182,159</u>	<u>3,558,190</u>

12. DEBTORS

	3 Oct 14	27 Sep 13
	£	£
Trade debtors	2,630,842	2,890,550
Amounts owed by group undertakings	125,100	71,677
VAT recoverable	50,374	—
Other debtors	12,000	—
Prepayments and accrued income	94,556	831,989
	<u>2,912,872</u>	<u>3,794,216</u>

13. CREDITORS: Amounts falling due within one year

	3 Oct 14	27 Sep 13
	£	£
Overdrafts	1,832,664	1,902,789
Trade creditors	1,182,560	1,376,590
Corporation tax	80,661	146,522
PAYE and social security	95,495	83,233
VAT	—	35,145
Hire purchase agreements	51,598	59,818
Other creditors	30,000	30,000
Accruals and deferred income	1,239,550	707,599
	<u>4,512,528</u>	<u>4,341,696</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 holding company and a fellow subsidiary, respectively, Evotek Limited and B&A Hydraulics Limited.

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

13. CREDITORS: Amounts falling due within one year *(continued)*

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

	3 Oct 14	27 Sep 13
	£	£
Overdrafts	1,832,664	1,902,789
Hire purchase agreements	51,598	59,818
	<u>1,884,262</u>	<u>1,962,607</u>

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

	3 Oct 14	27 Sep 13
	£	£
Hire purchase agreements	<u>41,514</u>	<u>93,109</u>

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

	3 Oct 14	27 Sep 13
	£	£
Hire purchase agreements	<u>41,514</u>	<u>93,109</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	3 Oct 14	27 Sep 13
	£	£
Amounts payable within 1 year	58,134	66,871
Amounts payable between 2 to 5 years	46,651	105,750
	<u>104,785</u>	<u>172,621</u>
Less interest and finance charges relating to future periods	<u>(11,673)</u>	<u>(19,694)</u>
	<u>93,112</u>	<u>152,927</u>
Hire purchase agreements are analysed as follows:		
Current obligations	51,598	59,818
Non-current obligations	41,514	93,109
	<u>93,112</u>	<u>152,927</u>

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

16. DEFERRED TAXATION

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

	Period from 28 Sep 13 to 3 Oct 14 £	Period from 1 Oct 12 to 27 Sep 13 £
Provision brought forward	72,390	32,834
Profit and loss account movement arising during the period	50,620	39,556
Provision carried forward	<u>123,010</u>	<u>72,390</u>

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

	3 Oct 14 £	27 Sep 13 £
Excess of taxation allowances over depreciation on fixed assets	123,010	72,390
	<u>123,010</u>	<u>72,390</u>

17. GOVERNMENT GRANTS

	3 Oct 14 £	27 Sep 13 £
Received and receivable:		
At 28 September 2013	93,742	93,742
Receivable during period	32,735	-
At 3 October 2014	<u>126,477</u>	<u>93,742</u>
Amortisation:		
At 28 September 2013	14,061	-
Credit to profit and loss account	11,011	14,061
At 3 October 2014	<u>25,072</u>	<u>14,061</u>
Net balance at 3 October 2014	<u>101,405</u>	<u>79,681</u>

PACSON LIMITED

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18. COMMITMENTS UNDER OPERATING LEASES

At 3 October 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	3 Oct 14		27 Sep 13	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	160,000	4,839	160,000	-
Within 2 to 5 years	-	16,342	-	25,857
	<u>160,000</u>	<u>21,181</u>	<u>160,000</u>	<u>25,857</u>

19. RELATED PARTY TRANSACTIONS

The company was under the control of K.D. Crawford, the managing director, during the current and previous year via his controlling interest in Evotek Limited.

Previously, the company advanced amounts to Evotek Limited by way of a loan and also recharged expenses. At the year end, the company was due to receive £90,103 (2013 - £101,953) from Evotek Limited and this is disclosed in the above note on Debtors. There is no interest being charged on this balance and there are no set repayment terms.

At the period end, the company was due to receive £34,997 (2013 - due to pay £30,276) from B&A Hydraulics Limited and this is included in the above note on Debtors.

The company has taken advantage of the provision under FRS8 not to disclose details of transactions with fellow group companies on the basis that the company is a wholly owned subsidiary.

20. SHARE CAPITAL

Allotted, called up and fully paid:

	3 Oct 14		27 Sep 13	
	No	£	No	£
Ordinary shares of £0.25 each	6,003,200	1,500,800	6,003,200	1,500,800
Preference A shares of £1 each	210,594	210,594	210,594	210,594
	<u>6,213,794</u>	<u>1,711,394</u>	<u>6,213,794</u>	<u>1,711,394</u>

PACSON LIMITED

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PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

20. SHARE CAPITAL *(continued)*

The main rights attaching to each class of share are as follows:

Dividends

The holders of the 'A' preference shares shall be entitled to a cumulative preferential dividend of 10% per annum, in priority to any payment of dividend on any other class of share

Ordinary shareholders are entitled to dividends, subject to the above, as directors may determine. Dividends do not accrue on Ordinary shares.

Evotek Limited, the sole owner of all of the issued share capital of Pacson Limited, has again waived its rights to dividends on the 'A' preference shares in issue, for the year from 28 September 2013 to 3 October 2014.

Voting

Ordinary shares rank pari passu for voting purposes and carry one vote per share.

The holders of the 'A' preference shall not be entitled to receive notice of or attend or vote at, any general meeting of the company unless at the date of the notice convening the meeting the dividend on such shares is 12 months in arrears.

Return of Capital

The 'A' preference shares shall entitle the shareholders thereof on a winding-up or on the reduction of capital involving a return of capital in priority to any return of capital on the Ordinary shares or on any other class of shares, to repayment of the capital paid up thereon along with any arrears of dividend. The balance of the assets of the company, subject to any special rights which may be attached to any class of shares, shall be applied to repaying the holders of the Ordinary shares the amounts paid upon such shares, and subject thereto shall belong to and be distributed among such holders rateably according to the amount paid upon such shares.

21. RESERVES

	Share premium account £	Profit and loss account £
Balance brought forward	19,800	2,162,397
Profit for the period	—	751,628
Balance carried forward	<u>19,800</u>	<u>2,914,025</u>

PACSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 28 SEPTEMBER 2013 TO 3 OCTOBER 2014

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	3 Oct 14	27 Sep 13
	£	£
Profit for the financial period	751,628	617,542
Opening shareholder's funds	3,893,591	3,276,049
Closing shareholder's funds	<u>4,645,219</u>	<u>3,893,591</u>

23. ULTIMATE PARENT COMPANY

The ultimate parent company is Evotek Limited, a company registered in Scotland. Evotek Limited is 100% owned by K.D. Crawford who is therefore the ultimate controlling party. The group accounts are available from the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh, EH3 9FF.