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FLOTRONIC PUMPS LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

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FLOTRONIC PUMPS LIMITED

COMPANY INFORMATION

Directors

R G Partlett
Mrs J B Waite

Secretary

R G Partlett

Auditor

Spofforths LLP
One Jubilee Street
Brighton
East Sussex
BN1 1GE

Registered office

Ricebridge House
Brighton Road
Bolney
West Sussex
RH17 5NA

Registered number

02559708

Bankers

National Westminster Bank Plc
24 Church Road
Burgess Hill
West Sussex
RH15 9ZS

FLOTRONIC PUMPS LIMITED

CONTENTS

	Page
Directors' report	1 to 2
Independent auditor's report	3 to 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 18

The following pages do not form part of the statutory financial statements

Management profit and loss account	19 to 20
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FLOTRONIC PUMPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2009

The directors present their report and financial statements for the year ended 31 August 2009

Principal activities

The company's principal activity during the year continued to be that of researching, developing and manufacturing fluid control equipment for ultimate sale

Review of the business during the year and at the end of the year

The results for the year and the financial position of the company are as shown in the annexed financial statements

The trading year was disappointing in terms of reduced sales, this was primarily due to a worldwide downturn in economic activity. To offset the reduction in sales, expenditure was reduced substantially with a similar reduction in inventory. The results for the year included the negative impact of the Euro and the US dollar thus reducing earnings.

For 2009-10 we expect an improvement in both sales and profitability due to the expected upturn in the markets the company sells into. Improvements to the present product range together with the development of a new pump expected for sale in 2010 will also have an impact on earnings.

Results and dividends

The loss for the year, after taxation, amounted to £57,020 (2008 £37,343 loss). The directors recommend no dividend be paid.

Directors

The directors who served during the year were as follows:

R G Partlett
Mrs J B Waite
Mrs S A Stretton (resigned 10 February 2009)

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FLOTRONIC PUMPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2009

Directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 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.

This report was approved by the board on 12th March 2010 and signed on behalf of the board by



R G Partlett
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

FLOTRONIC PUMPS LIMITED

We have audited the financial statements of Flotronic Pumps Limited for the year ended 31 August 2009 which comprise the Profit and Loss Account, the Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses and the related notes numbered 1 to 25

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibility Statement set out on page 1, 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 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.

Matters on which we are required to report on 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.

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.

Basis of audit opinion

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FLOTRONIC PUMPS LIMITED**

Opinion on the financial statements

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its loss for the year then ended,

have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006,

Opinion on other matter prescribed by the Companies Act 2006

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

**A Jones, Senior Statutory Auditor
For and on behalf of Spofforths LLP, Statutory Auditor
One Jubilee Street
Brighton
East Sussex
BN1 1GE**

31 March 2010

FLOTRONIC PUMPS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2009**

	Notes	2009 £	2008 £
Turnover	3	2,292,745	<i>2,842,204</i>
Cost of sales		(937,211)	<i>(1,315,483)</i>
Gross profit		1,355,534	<i>1,526,721</i>
Distribution costs		5,526	<i>(9,984)</i>
Administrative expenses		(1,417,909)	<i>(1,534,731)</i>
Other operating income		20,046	-
Operating loss	4	(36,803)	<i>(17,994)</i>
Interest receivable		12	<i>37</i>
Interest payable	7	(20,229)	<i>(35,379)</i>
Loss on ordinary activities before taxation		(57,020)	<i>(53,336)</i>
Tax on loss on ordinary activities	8	-	<i>15,993</i>
Loss for the financial year	19	(57,020)	<i>(37,343)</i>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

FLOTRONIC PUMPS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	2009 £	2008 £
Loss for the financial year		(57,020)	(37,343)
Total recognised gains and losses relating to the year		<u>(57,020)</u>	<u>(37,343)</u>
Note of historical cost profits and losses		2009 £	2008 £
Reported profit on ordinary activities before taxation		(57,020)	(53,336)
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount		1,053	1,183
Historical cost loss on ordinary activities before taxation		<u>(55,967)</u>	<u>(52,153)</u>
Historical cost loss for the year retained after taxation and dividends		<u>(55,967)</u>	<u>(36,160)</u>

FLOTRONIC PUMPS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2009

	Notes	2009	2008
		£	£
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	<u>210,979</u>	<u>252,878</u>
		210,979	252,878
Current assets			
Stocks	12	288,220	453,374
Debtors	13	441,037	544,514
Cash at bank and in hand		<u>14,107</u>	<u>4,459</u>
		743,364	1,002,347
Creditors: amounts falling due within one year	14	<u>638,296</u>	<u>855,426</u>
Net current assets		105,068	146,921
Total assets less current liabilities		316,047	399,799
Creditors: amounts falling due after more than one year	15	21,254	47,986
		<u>294,793</u>	<u>351,813</u>
Capital and reserves			
Called up share capital	17	100	100
Revaluation reserve	18	4,445	5,497
Profit and loss account	19	290,248	346,216
	20	<u>294,793</u>	<u>351,813</u>

The financial statements were approved by the board and authorised for issue on 12th March 2010 and signed on behalf of the board by

Mrs J B Wheatley
Director

J B Wheatley
W A I T E

R G Partlett

R G Partlett
Director

FLOTRONIC PUMPS LIMITED

CASH FLOW STATEMENT

AS AT 31 AUGUST 2009

	Notes	2009 £	2008 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating loss		(36,803)	(17,994)
Depreciation charges		61,535	73,058
Amortisation of goodwill		1,641	-
Loss on disposal of tangible fixed assets		2,295	6,822
Decrease/(increase) in stocks		165,154	(52,634)
Decrease in debtors		103,477	69,708
Decrease in creditors		(198,032)	(24,032)
Net cash inflow from operating activities		99,267	54,928
CASH FLOW STATEMENT			
Net cash inflow from operating activities		99,267	54,928
Returns on investments and servicing of finance	21	(20,217)	(35,342)
Capital expenditure	21	(23,572)	(87,945)
		55,478	(68,359)
Financing	21	(41,842)	11,438
Increase/(decrease) in cash		13,636	(56,921)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash		13,636	(56,921)
Decrease/(increase) in debt and lease financing		41,842	(11,438)
Change in net debt	22	55,478	(68,359)
Net debt at beginning of year		(339,034)	(270,675)
Net debt at end of year		(283,556)	(339,034)

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards

Turnover

Turnover represents the value, net of VAT, of goods provided to customers

Intangible fixed assets

Domain names are depreciated in full in the year of expenditure.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows

Short leasehold	10% on cost
Plant and machinery	15% reducing balance
Fixtures and fittings	25% on cost
Motor vehicles	25% reducing balance

Stocks

Stocks, including work in progress, are consistently valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Costs include all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

1 Principal accounting policies - continued

Finance lease and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

2 Going concern

The financial statements have been prepared on the going concern basis which assumes the continued support of its parent company Norris Holdings Limited. If these assumptions prove to be inappropriate, adjustments will have to be made to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets.

3 Turnover

Turnover is attributable to the one continuing activity of the company.

An analysis of turnover by geographical market is given below.

	2009	2008
	£	£
UK Sales	1,513,212	2,001,923
Export Sales	779,533	840,281
	<u>2,292,745</u>	<u>2,842,204</u>

4 Operating loss

This is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	29,392	35,773
Depreciation of assets held under finance leases and hire purchase contracts	32,143	34,956
Amortisation of domain names	1,641	2,330
Operating lease rentals - plant and machinery	-	7,841
Operating lease rentals - other	160,719	112,936
Auditors' remuneration	11,750	12,000
Loss on disposal of fixed asset	2,295	6,822
Loss/(profit) on foreign exchange	2,196	(18,476)
Research and development costs	<u>1,869</u>	<u>5,512</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

5 Directors' emoluments	2009	2008
	£	£
Emoluments	<u>50,000</u>	<u>60,000</u>

6 Staff costs	2009	2008
	£	£
Wages and salaries	926,924	1,130,803
Social security costs	84,738	108,907
Other pension costs	11,663	26,051
	<u>1,023,325</u>	<u>1,265,761</u>

Average number of employees during the year	Number	Number
Works operatives	12	16
Engineering	3	3
Purchasing	1	1
Sales	8	8
Computer	1	1
Administration	5	5
	<u>30</u>	<u>34</u>

7 Interest payable	2009	2008
	£	£
Bank loans and overdrafts	8,276	15,735
Finance charges payable under finance leases and hire purchase contracts	11,953	19,644
	<u>20,229</u>	<u>35,379</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

8 Tax on profit on ordinary activities

Analysis of charge in year	2009	2008
£	£	£
Current tax	-	-
Total current tax (see below)	-	-
Deferred tax		
Origination and reversal of timing differences	(15,993)	(15,993)
Total deferred tax (Note 17)	-	(15,993)
Tax on loss on ordinary activities	-	(15,993)

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28 per cent). The differences are explained below

	2009	2008
£	£	£
Loss on ordinary activities before tax	(57,020)	(53,336)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 30%)	(15,966)	(16,001)
Effects of		
Expenses not deductible for tax purposes	888	738
Capital allowances for year in excess of depreciation	2,105	(1,376)
Utilisation of tax losses - surrendered for group relief	-	16,639
Tax losses carried forward	12,973	-
Total current tax (see above)	-	-

9 Prior year adjustment

In 2008 there was a prior year adjustment totalling £92,669 for depreciation debited to the revaluation reserve. This amount represents the additional depreciation previously charged to the profit and loss account on the revalued cost of plant and machinery.

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

10 Intangible fixed assets

	Domain names £
Cost	
At beginning of year	50,598
Additions	1,641
At end of year	52,239
Amortisation	
At beginning of year	50,598
Provided during the year	1,641
At end of year	52,239
Net book value	
At 31 August 2009	-
<i>At 31 August 2008</i>	-

11 Tangible fixed assets

	Short leasehold £	Plant and machinery £	Motor Vehicles	Fixtures and fittings £	Total £
Cost or valuation					
At beginning of year	766	841,860	160,887	265,570	1,268,317
Additions	-	1,615	17,491	4,325	23,431
Disposals	-	-	(11,995)	-	(11,995)
At end of year	766	843,475	166,383	269,895	1,279,753
Depreciation					
At beginning of year	766	709,512	70,637	235,290	1,015,439
Charge for the year	-	20,605	25,987	14,943	61,535
On disposals	-	-	(8,200)	-	(8,200)
At end of year	766	730,117	88,424	250,233	1,068,774
Net book value					
At 31 August 2009	-	113,358	77,959	19,662	210,979
<i>At 31 August 2008</i>	-	<i>132,348</i>	<i>90,250</i>	<i>30,280</i>	<i>252,878</i>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

11 Tangible fixed assets - continued

If plant and machinery had not been revalued it would have been included at the following historical cost.

	2009	2008
	£	£
Cost	<u>609,625</u>	<u>608,010</u>

Plant and machinery was valued on an open market basis on 31 August 1991 by Edward Symmons & Partners

The directors are not aware of any material changes to the original valuation of plant and machinery in August 1991

Net book value of tangible fixed assets included above held under finance leases and hire purchase contracts

	2009	2008
	£	£
Plant and machinery	9,540	11,223
Fixtures and fittings	5,422	10,844
Motor vehicles	<u>75,113</u>	<u>82,660</u>
	<u>90,075</u>	<u>104,727</u>

12 Stocks

	2009	2008
	£	£
Raw materials and consumables	247,449	363,215
Packaging materials	-	915
Work in progress	23,128	76,438
Finished goods and goods for resale	<u>17,643</u>	<u>12,806</u>
	<u>288,220</u>	<u>453,374</u>

13 Debtors

	2009	2008
	£	£
Trade debtors	328,829	428,488
Amounts owed by group companies	3,478	6,151
Other debtors	1,011	1,011
Prepayments and accrued income	<u>107,719</u>	<u>108,864</u>
	<u>441,037</u>	<u>544,514</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

14 Creditors: amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts (secured)	234,058	238,046
Obligations under finance lease and hire purchase contracts	42,351	57,461
Trade creditors	207,588	347,594
Amount owed to group companies	64,846	96,614
Other taxes and social security costs	41,030	54,121
Other creditors	5,348	-
Accruals and deferred income	43,075	61,590
	638,296	855,426

National Westminster Bank Plc hold a debenture and an unlimited guarantee from the company's parent company, Norris Holdings Limited, for the obligations of Flotronic Pumps Limited

15 Creditors: amounts falling due after more than one year	2009	2008
	£	£
Obligations under finance lease and hire purchase contracts	21,254	47,986

16 Obligations under finance leases and hire purchase contracts	2009	2008
	£	£
Amounts payable		
Within one year	42,351	57,461
Within two to five years	21,254	47,986
	63,605	105,447

17 Share capital	2009	2008	2009	2008
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	100	100	100	100
	100	100	100	100

18 Reserves

	Revaluation reserve £
At beginning of year	5,497
Transfer to profit and loss account	(1,052)
At end of year	4,445

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

19 Profit and loss account	2009	2008
	£	£
At beginning of year	346,216	289,706
Prior year adjustment	-	92,669
At beginning of year as restated	346,216	382,375
Loss for the financial year	(57,020)	(37,343)
Transfer from revaluation reserve	1,052	1,184
At end of year	290,248	346,216

20 Reconciliation of movement in shareholders' funds	2009	2008
	£	£
Loss for the financial year	(57,020)	(37,343)
At beginning of year	351,813	389,156
At end of year	294,793	351,813

21 Gross cash flows	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	12	37
Interest paid	(8,276)	(15,735)
Interest element of finance lease rental payments	(11,953)	(19,644)
	(20,217)	(35,342)
Capital expenditure		
Payments to acquire intangible fixed assets	(1,641)	(2,330)
Payments to acquire tangible fixed assets	(23,431)	(91,165)
Receipts from sales of tangible fixed assets	1,500	5,550
	(23,572)	(87,945)
Financing		
Capital element of finance lease rental payments	(41,842)	11,438

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

22 Analysis of changes in net debt

	At beginning of year	Cash flows	At end of year
	£	£	£
Cash at bank and in hand	4,459	9,648	14,107
Overdrafts	(238,046)	3,988	(234,058)
Finance leases	(105,447)	41,842	(63,605)
Total	<u>(339,034)</u>	<u>55,478</u>	<u>(283,556)</u>

23 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2009 £	Land and buildings 2008 £
Operating leases which expire within two to five years	<u>93,500</u>	<u>93,500</u>

24 Ultimate controlling party

The ultimate controlling party is Norris Holdings Limited, a company registered in England, which owns 100% of the issued share capital

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

25 Related parties

The following amounts were payable during the year to group companies under normal commercial terms. These amounts have been charged in the company's profit and loss account for the year ended 31 August 2009 and 2008

	2009	2008
	£	£
Hunt Norris Limited		
Management fees	-	1,833
Norris Brothers Limited		
Management Fees	30,800	33,600
Light and heat	9,688	10,405
Repairs and renewals	12,542	15,611
Accountancy and secretarial	52,800	52,800
Rent and rates	125,606	125,065
Insurance	3,712	3,646
	<u>235,148</u>	<u>242,960</u>

At the balance sheet date Norris Brothers Limited, a group company, were owed £44,846 by Flotronic Pumps Limited (2008 £96,614)

At the balance sheet date Norcon Limited, a group company, were owed £20,000 by Flotronic Pumps Limited (2008 £Nil)

At the balance sheet date Bluebird Packaging Machines Limited, a group company, owed £3,478 to Flotronic Pumps Limited (2008 £6,151)

FLOTRONIC PUMPS LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2009

	2009		2008	
	£	£	£	£
Turnover		2,292,745		2,842,204
Cost of sales				
Opening stock	453,393		400,740	
Purchases	484,621		878,116	
Production wages	279,386		441,253	
Workshop sundries	8,031		48,747	
Closing stock	(288,220)		(453,373)	
		(937,211)		(1,315,483)
Gross profit		1,355,534		1,526,721
Other income		20,046		-
Less expenses				
Distribution costs	(5,526)		9,984	
Administrative expenses	1,417,909		1,534,731	
		(1,412,383)		(1,544,715)
Loss before interest		(36,803)		(17,994)
Interest payable				
On bank loans and overdrafts	8,276		15,735	
On HP and finance leases	11,953		19,644	
		(20,229)		(35,379)
Interest receivable				
Bank interest receivable		12		37
Loss for the year before taxation		(57,020)		(53,336)

FLOTRONIC PUMPS LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2009

	2009 £	2008 £
Other Income		
Compensation received	<u>20,046</u>	<u>-</u>
Analysis of expenses		
Distribution costs		
Packaging and carriage	8,886	23,146
Carriage out	<u>(14,412)</u>	<u>(13,162)</u>
	<u>(5,526)</u>	<u>9,984</u>
Administrative expenses		
Employment costs:		
Directors' remuneration	50,000	60,000
Directors' national insurance	5,690	7,000
Wages and salaries	676,586	731,457
Staff training and welfare	-	1,122
Staff pension costs	11,663	26,051
Establishment costs:		
Rent and rates	160,719	153,735
Light, heat and power	39,478	34,154
Repairs and maintenance	41,547	70,861
Insurance	44,323	38,053
Hire of equipment	-	7,841
Other costs:		
Printing, postage and stationery	10,382	12,147
Recruitment costs	4,962	6,831
Research and development	1,869	5,512
Telecommunication costs	20,194	20,466
Website and internet	8,503	9,323
Legal and professional fees	24,633	31,446
Management fees	33,600	35,433
Audit fees	11,750	12,000
Accountancy and bookkeeping charges	52,800	52,800
Bank charges	11,070	10,996
Motor, travel and subsistence	71,504	68,111
Entertaining	3,181	4,288
Advertising	37,272	33,384
Computer consumables	16,359	22,457
Bad debts	2,377	(4,323)
Vending machine costs	631	3,651
Sundry expenses	9,149	18,531
Loss/(profit) on foreign exchange	2,196	(18,476)
Loss on sale of fixed assets	2,295	6,822
Amortisation	1,641	2,330
Depreciation	61,535	70,728
	<u>1,417,909</u>	<u>1,534,731</u>