

Registered number
02559708

FLOTRONIC PUMPS LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010

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FLOTRONIC PUMPS LIMITED

COMPANY INFORMATION

Directors

R G Partlett
Mrs J B Waite
Mr L E Jones (appointed 6 October 2010)

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

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FLOTRONIC PUMPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2010

The directors present their report and financial statements for the year ended 31 August 2010

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 trading results reflect previous actions to cut costs over the last two years combined with good recovery in sales resulting in a recovery to profitability. The results for the year also include the negative impact of the Euro and the US dollar. The recovery to profitability has enabled the company to improve the state of its balance sheet with the consequence of it being in a better position to research and develop new products and improvements to the present product range.

Results and dividends

The profit for the year, after taxation, amounted to £80,407 (2009 £57,020 loss). The directors recommend no dividend be paid.

Principle risks and uncertainties

The company's gearing comprises an overdraft which is repayable on demand and which bears interest at floating rates.

The company is exposed to foreign currency risks, as there is no exchange rate management on the 35% of sales that are sold in foreign currencies.

Future developments

For 2010-11 we expect a continued 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 completed development of a new pump, the Minichem, are expected to improve sales with a consequent improvement in earnings.

Directors

The directors who served during the year were as follows:

R G Partlett
Mrs J B Waite

Disclosure of information to the auditor

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 auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

FLOTRONIC PUMPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2010

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 4.4.2011 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 2010 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet, Cash Flow Statement and the related notes numbered 1 to 24

The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 2, 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.

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006,

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

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

Spofforths LLP

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

7 April 2011

FLOTRONIC PUMPS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2010**

	Notes	2010 £	2009 £
Turnover	2	2,603,231	2,292,745
Cost of sales		(1,057,500)	(937,211)
Gross profit		1,545,731	1,355,534
Distribution costs		1,485	5,526
Administrative expenses		(1,451,489)	(1,417,909)
Other operating income		-	20,046
Operating profit/(loss)	3	95,727	(36,803)
Interest receivable		-	12
Interest payable	6	(15,320)	(20,229)
Profit/(loss) on ordinary activities before taxation		80,407	(57,020)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year	18	80,407	(57,020)

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 2010

	Notes	2010	2009
		£	£
Profit/(loss) for the financial year		80,407	(57,020)
Total recognised gains and losses relating to the year		80,407	(57,020)
Note of historical cost profits and losses		2010	2009
		£	£
Reported profit/(loss) on ordinary activities before taxation		80,407	(57,020)
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount		667	1,052
Historical cost profit/(loss) on ordinary activities before taxation		81,074	(55,968)
Historical cost profit/(loss) for the year retained after taxation and dividends		81,074	(55,968)

FLOTRONIC PUMPS LIMITED

BALANCE SHEET

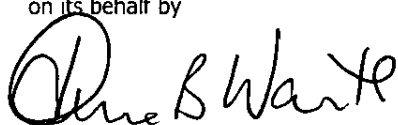
AS AT 31 AUGUST 2010

Registered number 02559708

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	<u>218,444</u>	<u>210,979</u>
		218,444	210,979
Current assets			
Stocks	10	281,047	288,220
Debtors	11	508,606	441,037
Cash at bank and in hand		<u>21,600</u>	<u>14,107</u>
		811,253	743,364
Creditors: amounts falling due within one year	12	<u>615,669</u>	<u>638,296</u>
Net current assets		195,584	105,068
Total assets less current liabilities		414,028	316,047
Creditors: amounts falling due after more than one year	13	38,828	21,254
		<u>375,200</u>	<u>294,793</u>
Capital and reserves			
Called up share capital	16	100	100
Revaluation reserve	17	3,778	4,445
Profit and loss account	18	371,322	290,248
	19	<u>375,200</u>	<u>294,793</u>

The financial statements were approved by the board and authorised for issue on 4.9.2011 on its behalf by

and signed



Mrs J B Waite
Director



R G Partlett
Director

FLOTRONIC PUMPS LIMITED

CASH FLOW STATEMENT

AS AT 31 AUGUST 2010

	Notes	2010 £	2009 £
Reconciliation of operating profit/(loss) to net cash inflow from operating activities			
Operating profit/(loss)		95,727	(36,803)
Depreciation charges		68,974	61,535
Amortisation		-	1,641
Loss on disposal of tangible fixed assets		7,877	2,295
Decrease in stocks		7,173	165,154
(Increase)/decrease in debtors		(67,569)	103,477
Increase/(decrease) in creditors		90,356	(198,032)
Net cash inflow from operating activities		202,538	99,267
CASH FLOW STATEMENT			
Net cash inflow from operating activities		202,538	99,267
Returns on investments and servicing of finance	20	(15,320)	(20,217)
Capital expenditure	20	(84,316)	(23,572)
		102,902	55,478
Financing	20	17,939	(41,842)
Increase in cash		120,841	13,636
Reconciliation of net cash flow to movement in net debt			
Increase in cash		120,841	13,636
(Increase)/decrease in debt and lease financing		(17,939)	41,842
Change in net debt	21	102,902	55,478
Net debt at beginning of year		(283,556)	(339,034)
Net debt at end of year		(180,654)	(283,556)

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

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. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been applied consistently.

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 per annum
Plant and machinery	15% reducing balance per annum
Motor vehicles	25% reducing balance per annum
Fixtures and fittings	25% on cost per annum

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 2010

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 Turnover

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

An analysis of turnover by geographical market is given below.

	2010 £	2009 £
UK Sales	1,681,489	1,513,212
Export Sales	921,742	779,533
	<u>2,603,231</u>	<u>2,292,745</u>

3 Operating profit/(loss)

	2010 £	2009 £
This is stated after charging		
Depreciation of owned fixed assets	31,011	29,392
Depreciation of assets held under finance leases and hire purchase contracts	37,963	32,143
Amortisation of domain names	-	1,641
Operating lease rentals - other	93,500	93,500
Auditors' remuneration	12,500	11,750
Loss on disposal of fixed asset	7,877	2,295
Loss on foreign exchange	24,930	2,196
Research and development costs	<u>5,549</u>	<u>1,869</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

4 Directors' emoluments	2010	2009
	£	£
Emoluments	51,500	50,000

5 Staff costs	2010	2009
	£	£
Wages and salaries	945,596	926,924
Social security costs	82,093	84,738
Other pension costs	1,008	11,663
	1,028,697	1,023,325

Average number of employees during the year	Number	Number
Works operatives	14	12
Engineering	3	3
Purchasing	2	1
Sales	7	8
Computer	-	1
Administration	5	5
	31	30

6 Interest payable	2010	2009
	£	£
Bank loans and overdrafts	6,249	8,276
Finance charges payable under finance leases and hire purchase contracts	9,071	11,953
	15,320	20,229

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

7 Tax on profit on ordinary activities

Analysis of charge in year	2010	2009
£	£	£
Tax on profit / (loss) on ordinary activities	-	-

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

	2010	2009
	£	£
Profit/(loss) on ordinary activities before tax	80,407	(57,020)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	22,514	(15,966)
Effects of		
Expenses not deductible for tax purposes	2,508	888
Capital allowances for year in (advance)/excess of depreciation	(12,979)	2,105
Utilisation of tax losses brought forward	(12,043)	-
Tax losses carried forward	-	12,973
Total current tax (see above)	-	-

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

8 Intangible fixed assets

	Domain names £
Cost	
At beginning of year	52,239
At end of year	52,239
Amortisation	
At beginning of year	52,239
At end of year	52,239
Net book value	
At 31 August 2010	-
<i>At 31 August 2009</i>	-

9 Tangible fixed assets

	Short leasehold £	Plant and machinery £	Motor Vehicles	Fixtures and fittings £	Total £
Cost or valuation					
At beginning of year	766	843,475	166,383	269,895	1,280,519
Additions	-	46,440	34,595	7,670	88,705
Disposals	-	-	(34,327)	-	(34,327)
At end of year	766	889,915	166,651	277,565	1,334,897
Depreciation					
At beginning of year	766	730,117	88,424	250,233	1,069,540
Charge for the year	-	28,470	25,072	15,432	68,974
On disposals	-	-	(22,061)	-	(22,061)
At end of year	766	758,587	91,435	265,665	1,116,453
Net book value					
At 31 August 2010	-	131,328	75,216	11,900	218,444
<i>At 31 August 2009</i>	-	<i>113,358</i>	<i>77,959</i>	<i>19,662</i>	<i>210,979</i>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

9 Tangible fixed assets - continued

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

	2010	2009
	£	£
Cost	<u>790,565</u>	<u>744,125</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

	2010	2009
	£	£
Plant and machinery	46,359	9,540
Fixtures and fittings	-	5,422
Motor vehicles	<u>73,081</u>	<u>75,113</u>
	<u>119,440</u>	<u>90,075</u>

10 Stocks

	2010	2009
	£	£
Raw materials and consumables	237,698	247,449
Work in progress	33,152	23,128
Finished goods and goods for resale	<u>10,197</u>	<u>17,643</u>
	<u>281,047</u>	<u>288,220</u>

11 Debtors

	2010	2009
	£	£
Trade debtors	398,944	328,829
Amounts owed by group companies	-	3,478
Other debtors	1,011	1,011
Prepayments and accrued income	<u>108,651</u>	<u>107,719</u>
	<u>508,606</u>	<u>441,037</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

12 Creditors: amounts falling due within one year	2010	2009
	£	£
Bank loans and overdrafts (secured)	120,710	234,058
Obligations under finance lease and hire purchase contracts	42,716	42,351
Trade creditors	303,748	207,588
Other taxes and social security costs	34,552	41,030
Other creditors	26,025	5,348
Amount owed to group companies	41,572	64,846
Accruals and deferred income	46,346	43,075
	615,669	638,296

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

13 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Obligations under finance lease and hire purchase contracts	38,828	21,254

14 Obligations under finance leases and hire purchase contracts	2010	2009
	£	£
Amounts payable		
Within one year	42,716	42,351
Within two to five years	38,828	21,254
	81,544	63,605

15 Provisions for liabilities

Deferred taxation provided in the financial statements is as follows

	Provided	Potential	Provided	Potential
	2010	2010	2009	2009
	£	£	£	£
Capital allowances in advance of depreciation	-	-	-	-
Tax losses carried forward	-	927	-	12,973
Undiscounted provision for deferred tax	-	927	-	12,973

No provision for a deferred taxation asset has been made in the financial statements in respect of corporation tax losses available to carry forward

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

16 Share capital

	2010 No	2009 No	2010 £	2009 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17 Reserves

	Revaluation reserve £
At beginning of year	4,445
Transfer to profit and loss account	(667)
At end of year	<u>3,778</u>

18 Profit and loss account

	2010 £	2009 £
At beginning of year	290,248	346,216
Profit/(loss) for the financial year	80,407	(57,020)
Transfer from revaluation reserve	667	1,052
At end of year	<u>371,322</u>	<u>290,248</u>

19 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Profit/(loss) for the financial year	80,407	(57,020)
At beginning of year	<u>294,793</u>	<u>351,813</u>
At end of year	<u>375,200</u>	<u>294,793</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

20 Gross cash flows	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	-	12
Interest paid	(6,249)	(8,276)
Interest element of finance lease rental payments	(9,071)	(11,953)
	<u>(15,320)</u>	<u>(20,217)</u>
Capital expenditure		
Payments to acquire intangible fixed assets	-	(1,641)
Payments to acquire tangible fixed assets	(88,705)	(23,431)
Receipts from sales of tangible fixed assets	4,389	1,500
	<u>(84,316)</u>	<u>(23,572)</u>
Financing		
Capital element of finance lease rental payments	<u>17,939</u>	<u>(41,842)</u>

21 Analysis of changes in net debt

	At beginning of year	Cash flows	At end of year
	£	£	£
Cash at bank and in hand	14,107	7,493	21,600
Overdrafts	(234,058)	113,348	(120,710)
	(219,951)	120,841	(99,110)
Finance leases	(63,605)	(17,939)	(81,544)
Total	<u>(283,556)</u>	<u>102,902</u>	<u>(180,654)</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

22 Other financial commitments

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

	Land and buildings 2010 £	<i>Land and buildings 2009 £</i>
Operating leases which expire within two to five years	<u>93,500</u>	<i><u>93,500</u></i>

23 Ultimate controlling party

The immediate and ultimate parent company is Norris Holdings Limited, a company registered in England and Wales which owns 100% of the issued share capital. The ultimate controlling party are the Executors of the Estate of L H Norris (deceased)

24 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 2010 and 2009

	2010 £	<i>2009 £</i>
Norris Brothers Limited		
Management Fees	33,600	<i>30,800</i>
Light and heat	7,415	<i>9,688</i>
Repairs and renewals	13,360	<i>12,542</i>
Accountancy and secretarial	52,800	<i>52,800</i>
Rent and rates	125,697	<i>125,606</i>
Insurance	3,679	<i>3,712</i>
Maintenance	2,154	<i>-</i>
	<u>238,705</u>	<i><u>235,148</u></i>

At the balance sheet date Norris Brothers Limited, a group company, were owed £41,572 by Flotronic Pumps Limited (2009 £44,846)

At the balance sheet date Norcon Limited, a group company, were owed £Nil by Flotronic Pumps Limited (2009 £20,000)

At the balance sheet date Bluebird Packaging Machines Limited, a group company, owed Nil to Flotronic Pumps Limited (2009 £3,478)

FLOTRONIC PUMPS LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2010

	2010		2009	
	£	£	£	£
Turnover		2,603,231		2,292,745
Cost of sales				
Opening stock	288,220		<i>453,393</i>	
Purchases	756,635		<i>484,621</i>	
Production wages	284,581		<i>279,386</i>	
Workshop sundries	9,054		<i>8,031</i>	
Closing stock	(280,990)		<i>(288,220)</i>	
		(1,057,500)		<i>(937,211)</i>
Gross profit		1,545,731		1,355,534
Other income		-		<i>20,046</i>
Less expenses				
Distribution costs	(1,485)		<i>(5,526)</i>	
Administrative expenses	1,451,489		<i>1,417,909</i>	
		(1,450,004)		<i>(1,412,383)</i>
Profit/(loss) before interest		95,727		<i>(36,803)</i>
Interest payable				
On bank loans and overdrafts	6,249		<i>8,276</i>	
On HP and finance leases	9,071		<i>11,953</i>	
		(15,320)		<i>(20,229)</i>
Interest receivable				
Bank interest receivable		-		<i>12</i>
Profit/(loss) for the year before taxation		80,407		<i>(57,020)</i>

FLOTRONIC PUMPS LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2010

	2010 £	2009 £
Other Income		
Compensation received	-	20,046
Analysis of expenses		
Distribution costs		
Packaging and carriage	12,741	8,886
Carriage out	(14,226)	(14,412)
	(1,485)	(5,526)
Administrative expenses		
Employment costs:		
Directors' remuneration	51,500	50,000
Directors' national insurance	5,860	5,690
Wages and salaries	685,748	676,586
Staff pension costs	1,008	11,663
Establishment costs:		
Rent and rates	160,968	160,719
Light, heat and power	39,942	39,478
Repairs and maintenance	48,685	41,547
Insurance	39,286	44,323
Other costs:		
Printing, postage and stationery	7,611	10,382
Recruitment costs	2,204	4,962
Research and development	5,549	1,869
Telecommunication costs	20,085	20,194
Website and internet	10,519	8,503
Legal and professional fees	29,573	24,633
Management fees	33,600	33,600
Audit fees	12,500	11,750
Accountancy and bookkeeping charges	52,800	52,800
Bank charges	10,828	11,070
Motor, travel and subsistence	67,156	71,504
Entertaining	2,520	3,181
Advertising	21,658	37,272
Computer consumables	40,661	16,359
Bad debts	(3,982)	2,377
Vending machine costs	(82)	631
Sundry expenses	3,511	9,149
Loss on foreign exchange	24,930	2,196
Loss on sale of fixed assets	7,877	2,295
Amortisation	-	1,641
Depreciation	68,974	61,535
	1,451,489	1,417,909