

Registered number
02559708

FLOTRONIC PUMPS LIMITED
DIRECTORS' REPORT AND AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

TUESDAY



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COMPANIES HOUSE

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

Bankers

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

Registered office

Ricebridge House
Brighton Road
Bolney
West Sussex
RH17 5NA

Registered number

02559708

FLOTRONIC PUMPS LIMITED

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FLOTRONIC PUMPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

The directors present their report and audited financial statements for the year ended 31 August 2011

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

Despite challenging trading conditions, sales increased. This performance, from markets that experienced varying levels of demand, is a testimony to our strategy of having a diversity of product range and geographical representation in markets with growth potential. The Company's profit and cash flow has been impacted by the price of its principal raw materials, which in recent years has seen considerable price volatility, primarily upwards, driven by global market conditions outside the control of the Company. Where contractually possible, we pass price increases on to our customers, but this ability is, to some extent, dependent upon market conditions. There may be periods of time in which the Company is not fully able to recover increases in the cost of raw materials due to the weakness in demand for its products or the action of its competitors.

Results and dividends

The profit for the year, after taxation, amounted to £56,859 (2010: £80,407). The directors recommend no dividend be paid.

Principal risks and uncertainties

During the year the Company entered into a new financing facility of sales invoice discounting replacing an overdraft facility that was repayable on demand. 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 2011-12 we remain confident that our business model and strategy for international expansion will continue to deliver attractive growth and value. We will continue to seek out profitable long-term growth opportunities where we can leverage our scale and expertise.

Directors

The directors who served during the year were as follows:

R G Partlett

Mrs J B Waite

Mr L E Jones

Appointed 06/10/2010

Resigned 19/07/2011

Disclosure of information to the auditor

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

FLOTRONIC PUMPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2011

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 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 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,
- 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.

This report was approved by the board on 02.03.12 and signed on its behalf



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 2011 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 25

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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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
- the financial statements are not in agreement with the accounting records, 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.

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 2011 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 matters prescribed by the Companies Act 2006

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

Alison Jones FCA
(Senior Statutory Auditor)
for and on behalf of
Spofforths LLP
Chartered Accountants and Statutory Auditor

One Jubilee Street
Brighton
East Sussex
BN1 1GE

23 March 2012

FLOTRONIC PUMPS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2011**

	Notes	2011 £	2010 £
Turnover	2	2,825,964	2,603,231
Cost of sales		(1,253,292)	(1,057,500)
Gross profit		1,572,672	1,545,731
Distribution costs		(4,674)	1,485
Administrative expenses		(1,496,989)	(1,451,489)
Other operating income		11,257	-
Operating profit	3	82,266	95,727
Interest receivable		82	-
Interest payable	6	(13,898)	(15,320)
Profit on ordinary activities before taxation		68,450	80,407
Tax on profit on ordinary activities	7	(11,591)	-
Profit for the financial year	18	56,859	80,407

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 2011**

	Notes	2011 £	2010 £
Profit for the financial year		56,859	80,407
Total recognised gains and losses related to the year		<u>56,859</u>	<u>80,407</u>
Note of historical cost profits and losses		2011 £	2010 £
Reported profit on ordinary activities before taxation		68,450	80,407
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount		566	667
Historical cost profit on ordinary activities before taxation		<u>69,016</u>	<u>81,074</u>
Historical cost profit for the year retained after taxation and dividends		<u>57,425</u>	<u>81,074</u>

FLOTRONIC PUMPS LIMITED**BALANCE SHEET****AS AT 31 AUGUST 2011****REGISTERED NUMBER: 02559708**

	Notes	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	8		-		-
Tangible assets	9		<u>182,664</u>		<u>218,444</u>
			182,664		218,444
Current assets					
Stocks	10	509,716		281,047	
Debtors	11	518,567		508,606	
Cash at bank and in hand		<u>129,837</u>		<u>21,600</u>	
		1,158,120		811,253	
Creditors: amounts falling due within one year	12	(884,256)		(615,669)	
Net current assets			273,864		195,584
Total assets less current liabilities			456,528		414,028
Creditors: amounts falling due after more than one year	13		(24,469)		(38,828)
			<u>432,059</u>		<u>375,200</u>
Capital and reserves					
Called up share capital	16		100		100
Revaluation reserve	17		3,212		3,778
Profit and loss account	18		<u>428,747</u>		<u>371,322</u>
Shareholders' funds	19		<u>432,059</u>		<u>375,200</u>

The financial statements were approved by the board and authorised for issue on **02 03 12** and signed on its behalf by



Mrs J B Waite
Director



R G Partlett
Director

FLOTRONIC PUMPS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2011

	Notes	2011 £	2010 £
Reconciliation of operating profit/(loss) to net cash inflow from operating activities			
Operating profit		82,266	95,727
Depreciation		55,012	68,974
Loss on disposal of tangible fixed assets		6,937	7,877
(Increase)/decrease in stocks		(228,669)	7,173
Increase in debtors		(9,961)	(67,569)
Increase in creditors		151,885	90,356
Net cash inflow from operating activities		57,470	202,538
CASH FLOW STATEMENT			
Net cash inflow from operating activities		57,470	202,538
Returns on investments and servicing of finance	20	(13,816)	(15,320)
Taxation		(1,011)	-
Capital expenditure	20	(9,706)	(84,316)
		32,937	102,902
Financing	20	196,010	17,939
Increase in cash		228,947	120,841
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		228,947	120,841
Increase in debt and lease financing		(196,010)	(17,939)
New finance leases		(16,463)	-
Change in net debt	21	16,474	102,902
Net debt at 1 September		(180,654)	(283,556)
Net debt at 31 August		(164,180)	(180,654)

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

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 or, 15% sum of digits method 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 on a rolling average basis, 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 2011

1 Principle 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.

Warranties

Some products carry formal guarantees of satisfactory performance of varying periods following their purchase by customers. These costs are not significant and are included in the profit and loss account as incurred and no provision has been made in respect of the estimated cost of honouring unexpired warranties.

2 Analysis of turnover

	2011	2010
	£	£
By activity		
Sale of fluid control equipment	<u>2,825,964</u>	<u>2,603,231</u>
By geographical market		
UK	1,825,818	1,857,559
Europe	665,064	559,499
Rest of the world	<u>335,082</u>	<u>186,173</u>
	<u>2,825,964</u>	<u>2,603,231</u>

3 Operating profit

	2011	2010
	£	£
This is stated after charging		
Depreciation of owned fixed assets	55,821	68,974
Depreciation of assets held under finance leases and hire purchase contracts	29,230	37,963
Operating lease rentals - other	93,500	93,500
Auditors' remuneration	13,880	12,500
Loss on disposal of fixed assets	6,937	7,877
Loss on foreign exchange	17,644	24,930
Research and development costs	<u>1,607</u>	<u>5,549</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

4 Directors' emoluments	2011	2010
	£	£
Emoluments	<u>60,000</u>	<u>51,500</u>
5 Staff costs	2011	2010
	£	£
Wages and salaries	1,030,645	945,596
Social security costs	92,605	82,093
Other pension costs	8,556	1,008
	<u>1,131,806</u>	<u>1,028,697</u>
Average number of employees during the year	Number	Number
Works operatives	16	14
Engineering	3	3
Purchasing	2	2
Sales	7	7
Administration	6	5
	<u>34</u>	<u>31</u>
6 Interest payable	2011	2010
	£	£
Bank loans and overdrafts	7,610	6,249
Finance charges payable under finance leases and hire purchase contracts	6,288	9,071
	<u>13,898</u>	<u>15,320</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

7 Taxation	2011	2010
	£	£
Analysis of charge in year		
Current tax		
UK corporation tax on profits of the period	10,580	-
Adjustments in respect of previous periods	1,011	-
	11,591	-
Tax on profit on ordinary activities	11,591	-

Factors affecting tax charge for year

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2011	2010
	£	£
Profit on ordinary activities before tax	68,450	80,407
Standard rate of corporation tax in the UK	21% / 20%	28%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	14,088	22,514
Effects of		
Expenses not deductible for tax purposes	232	2,508
Capital allowances for period in (advance)/excess of depreciation	(3,059)	(12,979)
Utilisation of tax losses brought forward	(681)	(12,043)
Adjustments to tax charge in respect of previous periods	1,011	-
Current tax charge for year	11,591	-

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

8 Intangible fixed assets

	Domain names £
Cost	
At 1 September 2010	52,239
At 31 August 2011	52,239
Amortisation	
At 1 September 2010	52,239
At 31 August 2011	52,239
Net book value	
At 31 August 2011	-
At 31 August 2010	-

9 Tangible fixed assets

	Motor vehicles	Short leasehold	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 September 2010	166,651	766	889,915	277,565	1,334,897
Additions	16,463	-	10,740	2,766	29,969
Disposals	(32,850)	-	-	-	(32,850)
At 31 August 2011	150,264	766	900,655	280,331	1,332,016
Depreciation					
At 1 September 2010	91,435	766	758,587	265,665	1,116,453
Charge for the year	20,236	-	26,851	7,925	55,012
On disposals	(22,113)	-	-	-	(22,113)
At 31 August 2011	89,558	766	785,438	273,590	1,149,352
Net book value					
At 31 August 2011	60,706	-	115,217	6,741	182,664
At 31 August 2010	75,216	-	131,328	11,900	218,444

FLOTRONIC PUMPS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2011****9 Tangible fixed assets (continued)**

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

	2011	2010
	£	£
Cost	801,305	790,565

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

	2011	2010
	£	£
Plant and machinery	31,000	41,859
Motor vehicles	52,680	73,081
	83,680	114,940

10 Stocks

	2011	2010
	£	£
Raw materials and consumables	423,502	237,698
Work in progress	71,487	33,152
Finished goods and goods for resale	14,727	10,197
	509,716	281,047

11 Debtors

	2011	2010
	£	£
Trade debtors	400,166	398,944
Other debtors	-	1,011
Prepayments and accrued income	118,401	108,651
	518,567	508,606

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

12 Creditors: amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts (secured)	-	120,710
Debt factoring (secured)	241,170	-
Obligations under finance lease and hire purchase contracts	28,378	42,716
Trade creditors	388,234	303,748
Amounts owed to group undertakings	71,739	41,572
Corporation tax	10,580	-
Other taxes and social security costs	54,370	34,552
Other creditors	44,930	26,025
Accruals and deferred income	44,855	46,346
	884,256	615,669

RBS Invoice Finance Limited hold a debenture dated 22 July 2011 over all of the assets of the company and an unlimited guarantee from the company's parent company, Norris Holdings Limited

National Westminster Bank Plc held a debenture and an unlimited guarantee from the company's parent company, Norris Holdings Limited, for the obligations of Flotronic Pumps Limited. This debenture was satisfied on 3 September 2011.

13 Creditors: amounts falling due after one year	2011	2010
	£	£
Obligations under finance lease and hire purchase contracts	24,469	38,828

14 Obligations under finance leases and hire purchase contracts	2011	2010
	£	£
Amounts payable		
Within one year	28,378	42,716
Within two to five years	24,469	38,828
	52,847	81,544

15 Deferred taxation	2011	2010
	£	£
Tax losses carried forward	-	927
Undiscounted provision for deferred tax	-	927

No provision for a deferred taxation asset was 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 2011

16 Share capital	Nominal value	2011 Number	2011 £	2010 £
Allotted, called up and fully paid Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>
17 Revaluation reserve			2011 £	
At 1 September 2010			3,778	
Transfer to the profit and loss account			<u>(566)</u>	
At 31 August 2011			<u>3,212</u>	
18 Profit and loss account			2011 £	
At 1 September 2010			371,322	
Profit for the financial year			56,859	
Transfer from revaluation reserve			<u>566</u>	
At 31 August 2011			<u>428,747</u>	
19 Reconciliation of movement in shareholders' funds			2011 £	2010 £
At 1 September 2010			375,200	294,793
Profit for the financial year			<u>56,859</u>	<u>80,407</u>
At 31 August 2011			<u>432,059</u>	<u>375,200</u>
20 Gross cash flows			2011 £	2010 £
Returns on investments and servicing of finance				
Interest received			82	-
Interest paid			<u>(7,610)</u>	<u>(6,249)</u>
Interest element of finance lease rental payments			<u>(6,288)</u>	<u>(9,071)</u>
			<u>(13,816)</u>	<u>(15,320)</u>
Capital expenditure				
Payments to acquire tangible fixed assets			<u>(13,506)</u>	<u>(88,705)</u>
Receipts from sales of tangible fixed assets			<u>3,800</u>	<u>4,389</u>
			<u>(9,706)</u>	<u>(84,316)</u>
Financing				
Loan repayments			241,170	-
Capital element of finance lease rental payments			<u>(45,160)</u>	<u>17,939</u>
			<u>196,010</u>	<u>17,939</u>

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

21 Analysis of changes in net debt

	At 1 Sep 2010	Cash flows	Non-cash changes	At 31 Aug 2011
	£	£	£	£
Cash at bank and in hand	21,600	108,237	-	129,837
Overdrafts	(120,710)	120,710	-	-
	(99,110)	228,947	-	129,837
Debt due within 1 year	-	(241,170)	-	(241,170)
Finance leases	(81,544)	28,697	-	(52,847)
		(212,473)		
Total	(180,654)	16,474	-	(164,180)

22 Major non-cash transactions

	2011 £
Capital value of new finance lease arrangements	16,463

23 Pension commitments

The company makes contributions to defined contribution personal scheme for the benefit of a number of employees. The pension cost charge represents contributions payable by the company to the scheme and amounted to £8,556 (2010 £1,008). At the balance sheet date there were accrued pension contributions of £2,932 (2010 £Nil).

24 Other financial commitments

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

	Land and buildings 2011 £	Land and buildings 2010 £
Operating leases which expire within two to five years	-	93,500
in over five years	86,410	-
	86,410	93,500

FLOTRONIC PUMPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

25 Related parties

Norris Brothers Limited

A group company

The following amounts were payable during the year to group companies. These amounts have been charged to the company's profit and loss account

Management fees payable	£33,600	(2010 £33,600)
Light and heat payable	£10,702	(2010 £7,415)
Repairs and removals payable	£19,021	(2010 £13,362)
Accountancy and secretarial payable	£52,800	(2010 £52,800)
Rent and rates payable	£128,165	(2010 £125,697)
Insurance payable	£2,881	(2010 £3,679)
Maintenance payable	£844	(2010 £2,154)

At the balance sheet date Norris Brothers Limited were owed £71,607 (2010 £41,313). This is included within trade debtors at £132 (2010 £259) and creditors at £71,739 (2010 £41,572).

Norris Holdings Limited

The parent company

At the balance sheet date Norris Holdings Limited owed the company £nil (2010 £85).

26 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 Trustees of the Lewis Hunt Norris Will Trust, being B H Norris, J B Waite, L B Crane and S A Stretton.

FLOTRONIC PUMPS LIMITED**MANAGEMENT PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2011**

	£	2011 £	£	2010 £
Turnover		2,825,964		2,603,231
Cost of sales				
Opening stock	280,990		288,220	
Purchases	1,111,991		756,635	
Production wages	360,290		284,581	
Discounts allowed	33		-	
Workshop sundries	9,704		9,054	
Closing stock	(509,716)		(280,990)	
		(1,253,292)		(1,057,500)
Gross profit		1,572,672		1,545,731
Other operating income		11,257		-
Less expenses				
Distribution costs	4,674		(1,485)	
Administrative expenses	1,496,989		1,451,489	
		(1,501,663)		(1,450,004)
Profit before interest		82,266		95,727
Interest payable				
On HP and finance leases	6,288		9,071	
On bank loans and overdrafts	7,610		6,249	
		(13,898)		(15,320)
Interest receivable				
Bank interest receivable		82		-
Profit for the financial year		68,450		80,407

FLOTRONIC PUMPS LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2011

	£	£
Other income		
Other income	<u>11,257</u>	<u>-</u>
Analysis of expenses		
Distribution costs		
Packaging and carriage	16,982	12,741
Carriage out	<u>(12,308)</u>	<u>(14,226)</u>
	<u>4,674</u>	<u>(1,485)</u>
Administrative expenses		
Employee costs:		
Wages and salaries	695,863	685,748
Directors' remuneration	60,000	51,500
Directors' national insurance	7,097	5,860
Staff pension costs	8,556	1,008
Staff training and welfare	6,495	-
Establishment costs:		
Rent and rates	160,150	160,968
Light, heat and power	45,395	39,942
Repairs and maintenance	58,487	48,685
Insurance	33,309	39,286
General administrative expenses:		
Telecommunication costs	16,070	20,085
Printing, postage and stationery	10,764	7,611
Recruitment costs	188	2,204
Research and development	1,607	5,549
Bank charges	15,208	10,828
Invoice discounting charges	6,287	-
Website and internet	9,623	10,519
Computer consumables	38,160	40,661
Entertaining	2,049	2,520
Motor, travel and subsistence	90,936	67,156
Vending machine costs	(355)	(82)
Loss on sale of fixed assets	6,937	7,877
Loss on foreign exchange	17,644	24,930
Depreciation	55,011	68,974
Bad debts	(690)	(3,982)
Sundry expenses	9,437	3,511
Audit fees	13,880	12,500
Accountancy and bookkeeping charges	52,800	52,800
Legal and professional fees	18,692	29,573
Management fees	33,600	33,600
Advertising	23,789	21,658
	<u>1,496,989</u>	<u>1,451,489</u>