

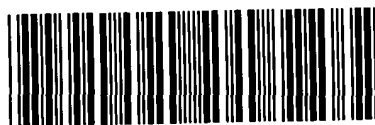
Registration number: 02559708

Flotronic Pumps Limited

Annual Report and Audited Financial Statements

for the Year Ended 31 August 2016

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Flotronic Pumps Limited

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Flotronic Pumps Limited

Company Information

Directors	Mr R G Partlett Mrs J B Waite
Company secretary	Mr R G Partlett
Registered office	Ricebridge House Brighton Road Bolney West Sussex RH17 5NA
Auditors	Kreston Reeves LLP One Jubilee Street Brighton East Sussex BN1 1GE

Flotronic Pumps Limited

Strategic Report for the Year Ended 31 August 2016

The directors present their Strategic Report for the year ended 31 August 2016.

Fair review of the business

Despite continued challenging trading conditions, the company increased its level of sales in the year. This performance, from markets that experienced varying levels of demand, is a testimony to our strategy of having a diversified 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.

Key financial performance indicators

Turnover has increased by 7.2% from £3,397,375 to £3,642,029.

Gross profit as a percentage of turnover has increased from 58.6% to 59.2%.

Principal risks and uncertainties

The company is exposed to foreign currency risks, as there is no exchange rate management on the 43% (2015: 39%) of sales that are sold in foreign currencies. Management review the levels of profit and loss on exchange to help mitigate this risk.

Approved by the Board on 15.03.17 and signed on its behalf by:


.....
Mr R G Partlett
Company secretary and director

Flotronic Pumps Limited

Directors' Report for the Year Ended 31 August 2016

The directors present their report and the financial statements for the year ended 31 August 2016.

Principal activity

The principal activity of the company is researching, developing and manufacturing fluid control equipment for ultimate sale.

Directors of the company

The directors who held office during the year were as follows:

Mr R G Partlett

Mrs J B Waite

Dividends

The profit for the year, after taxation, amounted to £219,648 (2015: £81,028). The directors recommend no dividend be paid.

Objectives and policies

The company's financial risk management policies are designed to reduce the risk of liquidity and credit risk exposure. The company's principal financial instruments comprise cash at bank, trade debtors and creditors and balances with group companies.

The company manages its cash flow to ensure it has sufficient funds to meet its liabilities as they fall due for payment, whilst at the same time operating within agreed bank facilities. Trade debtors are monitored on an on-going basis and at the year end there are no significant concerns of credit risk in the company.

Future developments

For 2016-17 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.

Flotronic Pumps Limited

Directors' Report for the Year Ended 31 August 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report (comprising the Strategic Report and the 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 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.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 15.03.17 and signed on its behalf by:



.....
Mr R G Partlett
Company secretary and director

Flotronic Pumps Limited

Independent Auditor's Report

We have audited the financial statements of Flotronic Pumps Limited for the year ended 31 August 2016, set out on pages 7 to 27. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the statement of director's responsibilities (set out on page 4), 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

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 year for which the financial statements are prepared is consistent with the financial statements.

Flotronic Pumps Limited
Independent Auditor's Report

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.

.....
Alison Jones FCA (Senior Statutory Auditor)
For and on behalf of Kreston Reeves LLP, Statutory Auditor
One Jubilee Street
Brighton
East Sussex
BN1 1GE
Date: 16 March 2017

Flotronic Pumps Limited

Profit and Loss Account for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Turnover	4	3,642,029	3,397,375
Cost of sales		<u>(1,484,280)</u>	<u>(1,405,607)</u>
Gross profit		2,157,749	1,991,768
Distribution costs		(74,558)	(65,388)
Administrative expenses		(1,857,610)	(1,864,125)
Other operating income	5	<u>68,403</u>	<u>56,354</u>
Operating profit	6	<u>293,984</u>	<u>118,609</u>
Other interest receivable and similar income	7	1	1
Interest payable and similar charges	8	<u>(11,595)</u>	<u>(5,013)</u>
		<u>(11,594)</u>	<u>(5,012)</u>
Profit before tax		282,390	113,597
Taxation	11	<u>(62,742)</u>	<u>(32,569)</u>
Profit for the financial year		<u><u>219,648</u></u>	<u><u>81,028</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Flotronic Pumps Limited

Statement of Comprehensive Income for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Profit for the year		<u>219,648</u>	<u>81,028</u>
Total comprehensive income for the year		<u><u>219,648</u></u>	<u><u>81,028</u></u>

The notes on pages 12 to 27 form an integral part of these financial statements.

Flotronic Pumps Limited
(Registration number: 02559708)
Balance Sheet as at 31 August 2016

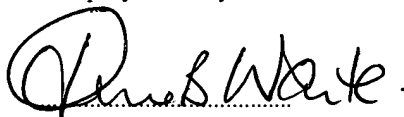
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	353,533	296,246
Current assets			
Stocks	14	541,873	470,306
Debtors	15	950,302	759,716
Cash at bank and in hand	16	27,457	28,650
		<u>1,519,632</u>	<u>1,258,672</u>
Creditors: Amounts falling due within one year	17	<u>(613,929)</u>	<u>(609,699)</u>
Net current assets		<u>905,703</u>	<u>648,973</u>
Total assets less current liabilities		<u>1,259,236</u>	<u>945,219</u>
Creditors: Amounts falling due after more than one year	17	<u>(191,155)</u>	<u>(125,047)</u>
Provisions for liabilities	19	<u>(28,261)</u>	<u>-</u>
Net assets		<u><u>1,039,820</u></u>	<u><u>820,172</u></u>
Capital and reserves			
Called up share capital	21	100	100
Revaluation reserve	22	2,740	2,740
Profit and loss account	22	<u>1,036,980</u>	<u>817,332</u>
Total equity		<u><u>1,039,820</u></u>	<u><u>820,172</u></u>

Approved and authorised by the Board on 15.03.17 and signed on its behalf by:



Mr R G Partlett

Company secretary and director



Mrs J B Waite

Director

The notes on pages 12 to 27 form an integral part of these financial statements.

Flotronic Pumps Limited

Statement of Changes in Equity for the Year Ended 31 August 2016

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 September 2014	100	2,740	736,304	739,144
Profit for the year	-	-	81,028	81,028
Total comprehensive income	-	-	81,028	81,028
At 31 August 2015	100	2,740	817,332	820,172

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 September 2015	100	2,740	817,332	820,172
Profit for the year	-	-	219,648	219,648
Total comprehensive income	-	-	219,648	219,648
At 31 August 2016	100	2,740	1,036,980	1,039,820

The notes on pages 12 to 27 form an integral part of these financial statements.

Flotronic Pumps Limited

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		219,648	81,028
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	143,451	116,482
Loss on disposal of tangible assets		15,119	5,515
Finance income	7	(1)	(1)
Finance costs	8	11,595	5,013
Income tax expense	11	62,742	32,569
		<u>452,554</u>	<u>240,606</u>
Working capital adjustments			
Increase in stocks	14	(71,567)	(32,832)
Increase in debtors	15	(190,586)	(44,013)
Decrease in creditors	17	<u>(12,589)</u>	<u>(11,673)</u>
Cash generated from operations		177,812	152,088
Income taxes paid	11	<u>(21,181)</u>	<u>(32,569)</u>
Net cash flow from operating activities		<u>156,631</u>	<u>119,519</u>
Cash flows from investing activities			
Interest received	7	1	1
Acquisitions of tangible assets		(49,192)	(54,057)
Proceeds from sale of tangible assets		<u>27,639</u>	<u>2,201</u>
Net cash flows from investing activities		<u>(21,552)</u>	<u>(51,855)</u>
Cash flows from financing activities			
Interest paid	8	(11,595)	(5,013)
Payments to finance lease creditors		<u>(124,677)</u>	<u>(58,458)</u>
Net cash flows from financing activities		<u>(136,272)</u>	<u>(63,471)</u>
Net (decrease)/increase in cash and cash equivalents		(1,193)	4,193
Cash and cash equivalents at 1 September		<u>28,650</u>	<u>24,457</u>
Cash and cash equivalents at 31 August		<u><u>27,457</u></u>	<u><u>28,650</u></u>

The notes on pages 12 to 27 form an integral part of these financial statements.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office and principal place of business is:

Ricebridge House
Brighton Road
Bolney
West Sussex
RH17 5NA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 26 for an explanation of the transition.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

FRS 102 has been applied early as permitted by the standard.

The financial statements are presented in pound sterling. The accounts are rounded to the nearest whole pound.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any accumulated depreciation and provision for impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold property	10% on cost per annum
Plant and machinery	15% reducing balance per annum; or 15% sum of digits method per annum
Fixtures and fittings	25% on cost per annum
Motor vehicles	25% on cost per annum

Intangible assets

Intangible assets are stated in the balance sheet at cost, less accumulated amortisation and subsequent impairment losses.

Research and development expenditure is written off as incurred.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Domain names	In full in the year of expenditure

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except where a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks including work in progress

Stocks including work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the rolling average method after making due allowance for obsolete and slow moving stock.

Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Invoice discounting

The company is party to an invoice discounting arrangement for certain of its debts. The full value are included in trade debtors and the proceeds received from discounting are included as debt factoring in either creditors or debtors and are secured on the trade debtors balances. Invoice discounting charges are recognised in the profit and loss account as they accrue.

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.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash received.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Financial instruments

Classification

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Revenue recognition - in making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods.

Key sources of estimation uncertainty

Bad debts - the company offers credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships. Bad debts are provided for when the company considers the debt is not recoverable. At the year end the carrying amount of the bad debt provision is £1,304 (2015 -£4,094).

4 Revenue

The analysis of the company's turnover for the year by market is as follows:

	2016 £	2015 £
UK	2,065,190	2,064,480
Europe	859,866	651,559
Rest of world	716,973	681,336
	<u>3,642,029</u>	<u>3,397,375</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Carriage income	<u>68,403</u>	<u>56,354</u>

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

6 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation of owned tangible assets	29,043	35,007
Depreciation of tangible assets held under hire purchase contracts	114,408	81,475
Research and development costs	4,574	919
Foreign exchange (gains)/losses	(69,672)	30,749
Operating lease expense - property	86,410	86,410
Operating lease expense - motor vehicles	38,354	34,326
Operating lease expense - other	28,147	30,970
Loss on disposal of property, plant and equipment	15,119	5,515
Auditor's remuneration	16,500	18,225
Cost of stock recognised as an expense	<u>1,045,962</u>	<u>1,020,698</u>

7 Other interest receivable and similar income

	2016 £	2015 £
Interest income on bank deposits	<u>1</u>	<u>1</u>

8 Interest payable and similar charges

	2016 £	2015 £
Interest on obligations under finance leases and hire purchase contracts	9,686	5,013
Interest expense on other finance liabilities	<u>1,909</u>	<u>-</u>
	<u>11,595</u>	<u>5,013</u>

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	1,202,399	1,127,121
Social security costs	116,349	107,777
Pension costs, defined contribution scheme	52,703	37,273
Recruitment costs	5,850	5,194
Other employee expenses	16,474	17,604
	<u>1,393,775</u>	<u>1,294,969</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Works operatives	17	15
Administration and support	4	6
Engineering	4	3
Sales	9	9
Purchasing	2	2
	<u>36</u>	<u>35</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration (including benefits in kind)	<u>95,936</u>	<u>94,210</u>

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

11 Taxation

Tax charged in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	32,524	32,569
UK corporation tax adjustment to prior periods	<u>1,957</u>	<u>-</u>
	34,481	32,569
Deferred taxation		
Arising from origination and reversal of timing differences	<u>28,261</u>	<u>-</u>
Tax expense in the income statement	<u><u>62,742</u></u>	<u><u>32,569</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>282,390</u>	<u>113,597</u>
Corporation tax at standard rate	56,478	22,719
Increase from effect of different UK tax rates on some earnings	-	719
Effect of expense not deductible in determining taxable profit (tax loss)	624	1,603
Increase in UK tax from adjustment for prior periods	1,957	-
Tax (decrease) increase from effect of capital allowances and depreciation	(25,992)	7,528
Tax increase from other short-term timing differences	<u>1,414</u>	<u>-</u>
Total tax charge	<u><u>34,481</u></u>	<u><u>32,569</u></u>

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Deferred tax

Deferred tax assets and liabilities

2016

**Asset/(Liability)
£**

Accelerated capital allowances

(29,675)

Pension provision

1,414

(28,261)

12 Intangible assets

**Domain names
£**

Cost or valuation

At 1 September 2015

52,239

At 31 August 2016

52,239

Amortisation

At 1 September 2015

52,239

At 31 August 2016

52,239

Carrying amount

At 31 August 2016

-

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

13 Tangible assets

	Short leasehold property £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 September 2015	766	306,720	39,390	1,182,157	1,529,033
Additions	-	46,390	-	197,106	243,496
Disposals	-	(39,336)	(4,563)	-	(43,899)
At 31 August 2016	766	313,774	34,827	1,379,263	1,728,630
Depreciation					
At 1 September 2015	766	288,451	25,693	917,877	1,232,787
Charge for the year	-	12,774	5,684	124,993	143,451
Eliminated on disposal	-	-	(1,141)	-	(1,141)
At 31 August 2016	766	301,225	30,236	1,042,870	1,375,097
Carrying amount					
At 31 August 2016	-	12,549	4,591	336,393	353,533
At 31 August 2015	-	18,269	13,697	264,280	296,246

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Revaluation

The company's plant and machinery was revalued to fair value on 31 August 1991 by an external valuer to the company.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £334,968 (2015 - £262,603).

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Motor vehicles	4,591	9,182
Plant and machinery	286,157	201,670
	<u>290,748</u>	<u>210,852</u>

14 Stocks

	2016 £	2015 £
Raw materials and consumables	436,691	371,786
Work in progress	83,693	70,589
Finished goods and goods for resale	21,489	27,931
	<u>541,873</u>	<u>470,306</u>

15 Debtors

	2016 £	2015 £
Trade debtors	558,516	487,491
Other debtors	43,077	4,706
Debt factoring	257,281	183,401
Prepayments	91,428	84,118
Total current trade and other debtors	<u>950,302</u>	<u>759,716</u>

Debt factoring:

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

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

16 Cash and cash equivalents

	2016 £	2015 £
Cash at bank	12,517	9,139
Short-term deposits	14,940	19,511
	<u>27,457</u>	<u>28,650</u>

17 Creditors

	Note	2016 £	2015 £
Due within one year			
Obligations under finance lease and hire purchase contracts		82,628	79,109
Trade creditors		305,269	275,578
Amounts due to group undertakings	24	72,558	123,253
Social security and other taxes		44,878	42,474
Other creditors		39,890	41,679
Accrued expenses		39,566	39,278
Corporation tax liability	11	13,300	-
Deferred income		15,840	8,328
		<u>613,929</u>	<u>609,699</u>
Due after one year			
Obligations under finance lease and hire purchase contracts		<u>191,155</u>	<u>125,047</u>

18 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	82,628	79,109
Later than one year and not later than five years	191,155	125,047
	<u>273,783</u>	<u>204,156</u>

The finance lease creditors are secured on the relevant assets leased.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	147,053	139,130
Later than one year and not later than five years	<u>509,068</u>	<u>97,919</u>
	<u>656,121</u>	<u>237,049</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £152,911 (2015 - £151,706).

19 Deferred tax and other provisions

	Deferred tax £	Total £
Additional provision	<u>28,261</u>	<u>28,261</u>
At 31 August 2016	<u>28,261</u>	<u>28,261</u>

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £52,703 (2015 - £37,273).

Contributions totalling £7,072 (2015 - £4,583) were payable to the scheme at the end of the year and are included in other creditors.

21 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

22 Reserves

The company's other reserves are as follows:

Revaluation reserve:

Represents the effect of a one off revaluation of plant and machinery in 1991 to fair value as explained in note 13 and is an undistributable reserve.

Profit and loss account:

Includes all current and prior period retained profit and losses.

23 Contingent liabilities

In the event of the company giving notice to terminate the employment of one of its directors, certain contractual obligations will arise. The basis of compensation amounts to two times the director's annual emoluments.

A fixed charge exists in relation to a bank warranty bond taken out during the year of £5,019 being 10% of the contract value with a customer. In the event that Flotronic Pumps Limited fail to fulfil the terms of the warranty obligation the amount will become payable to the customer on demand.

24 Related party transactions

Key management personnel

The company considers its key management personnel to comprise of Mrs J B Waite and Mr R G Partlett for both the 2015 and 2016 financial year. The total remuneration for key management personnel for the period totalled £95,936 (2015: £94,210) being remuneration disclosed in note 10.

Summary of transactions with parent

Norris Holdings Limited

During the year the Norris Holdings Limited provided the company with a interest free loan totalling £2,098 (2015: £4,105) in relation to the purchase of group tax relief from the group.

Flotronic Pumps Limited

Notes to the Financial Statements for the Year Ended 31 August 2016

Summary of transactions with other related parties

Norris Brothers Limited

(A group company)

The following amounts were payable during the year to Norris Brothers Limited. These amounts have been charged to the company's profit and loss account:

Management fees payable £33,600 (2015: £33,600)

Light and heat payable £15,495 (2015: £12,755)

Repairs and renewals payable £10,421 (2015: £4,006)

Accountancy and secretarial payable £52,800 (2015: £52,800)

Rent and rates payable £124,071 (2015: £119,502)

Insurance payable £7,317 (2015: £7,010)

Maintenance payable £113 (2015: £6,779)

At the balance sheet date the amount due to Norris Brothers Limited was £64,680 (2015: £113,344).

Norcon Norris Limited

(A group company)

During the year Norcon Norris Limited charged the company for computer costs totalling £100 (2015: £nil) and the company charged Norcon Norris Limited for the use of their employees totalling £24,938 (2015: £nil). These amounts have been included in the profit and loss account.

At the balance sheet date the amount due to Norcon Norris Limited was £5,779 (2015: £5,804).

25 Parent and ultimate parent undertaking

The company's immediate parent is Norris Holdings Limited, incorporated in England and Wales which owns 100% of the issued share capital.

The ultimate controlling party are J B Waite, L B Crane and S A Stretton.

26 Transition to FRS 102

The company has adopted FRS102 for the first time during the year ended 31 August 2016. The transition date to FRS 102 is therefore 1 September 2014. The effect of transition from previous financial reporting framework to FRS102 is outlined below:

a) Changes in accounting policies

There were no consequential changes in accounting policies resulting from the adoption of FRS102.

b) Reconciliation of equity shareholders' funds

There were no adjustments to previously reported equity shareholders' funds at the date of transition to FRS102 or at the comparative year end.

c) Reconciliation of comparative period profit or loss

There was no adjustment to previously reported profit or loss in the comparative period.