

Registered number: 02559708

Flotronic Pumps Limited

Annual report and financial statements

For the year ended 31 August 2017

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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 number	02559708
Registered office	Ricebridge House Brighton Road Bolney West Sussex RH17 5NA
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor One Jubilee Street Brighton East Sussex BN1 1GE

Flotronic Pumps Limited

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Flotronic Pumps Limited

Strategic report For the year ended 31 August 2017

Introduction

The directors present their strategic report for the year ended 31 August 2017.

Business review

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. 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.

Principal risks and uncertainties

The company is exposed to foreign currency risks, as there is no exchange rate management on the 45% (2016: 46%) of sales that are sold in foreign currencies. Management review the levels of profit and loss on exchange to help mitigate this risk.

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.

Financial key performance indicators

Turnover has increased by 3.4% from £3,642,029 to £3,767,268.
Gross profit as a percentage of turnover has increased from 59.2% to 61.2%.

This report was approved by the board on 19th February 2018 and signed on its behalf.



.....
Mr R G Partlett
Director

Flotronic Pumps Limited

Directors' report For the year ended 31 August 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £262,287 (2016 - £219,648).

The directors recommend that no dividend be paid.

Directors

The directors who served during the year were:

Mr R G Partlett
Mrs J B Waite

Future developments

For 2017-18 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 (continued)
For the year ended 31 August 2017**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19th February 2018 and signed on its behalf.



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Mr R G Partlett
Director

Flotronic Pumps Limited

Independent auditors' report to the shareholders of Flotronic Pumps Limited

Opinion

We have audited the financial statements of Flotronic Pumps Limited (the 'Company') for the year ended 31 August 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 Auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

Flotronic Pumps Limited

Independent auditors' report to the shareholders of Flotronic Pumps Limited (continued)

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Flotronic Pumps Limited

Independent auditors' report to the shareholders of Flotronic Pumps Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Alison Jones FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Brighton

Date: 20/2/18

Flotronic Pumps Limited

Statement of comprehensive income For the year ended 31 August 2017

	Note	2017 £	2016 £
Turnover	4	3,767,268	3,642,029
Cost of sales		(1,463,304)	(1,484,280)
Gross profit		2,303,964	2,157,749
Distribution costs		(83,114)	(74,558)
Administrative expenses		(1,974,576)	(1,857,610)
Other operating income	5	85,226	68,403
Operating profit	6	331,500	293,984
Interest receivable and similar income		47	1
Interest payable and expenses	10	(12,642)	(11,595)
Profit before tax		318,905	282,390
Tax on profit	11	(56,618)	(62,742)
Profit for the financial year		262,287	219,648
Other comprehensive income for the year			
Total comprehensive income for the year		262,287	219,648

Flotronic Pumps Limited
Registered number: 02559708

Balance sheet
As at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets		400,541	353,533
		<u>400,541</u>	<u>353,533</u>
Current assets			
Stocks	14	564,872	541,873
Debtors: amounts falling due within one year	15	1,115,597	950,302
Cash at bank and in hand	16	78,313	27,457
		<u>1,758,782</u>	<u>1,519,632</u>
Creditors: amounts falling due within one year	17	(615,013)	(613,929)
Net current assets		<u>1,143,769</u>	<u>905,703</u>
Total assets less current liabilities		<u>1,544,310</u>	<u>1,259,236</u>
Creditors: amounts falling due after more than one year	18	(204,485)	(191,155)
Provisions for liabilities			
Deferred tax	21	(37,718)	(28,261)
		<u>(37,718)</u>	<u>(28,261)</u>
Net assets		<u><u>1,302,107</u></u>	<u><u>1,039,820</u></u>
Capital and reserves			
Called up share capital	22	100	100
Fair value reserve	23	2,740	2,740
Profit and loss account	23	1,299,267	1,036,980
		<u><u>1,302,107</u></u>	<u><u>1,039,820</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
19th February 2018



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Mr R G Partlett
Director



.....
Mrs J B Waite
Director

Flotronic Pumps Limited

**Statement of changes in equity
For the year ended 31 August 2017**

	Called up share capital	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2016	100	2,740	1,036,980	1,039,820
Comprehensive income for the year				
Profit for the year	-	-	262,287	262,287
At 31 August 2017	100	2,740	1,299,267	1,302,107

**Statement of changes in equity
For the year ended 31 August 2016**

	Called up share capital	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2015	100	2,740	817,332	820,172
Comprehensive income for the year				
Profit for the year	-	-	219,648	219,648
At 31 August 2016	100	2,740	1,036,980	1,039,820

The notes on pages 11 to 25 form part of these financial statements.

Flotronic Pumps Limited

Statement of cash flows **For the year ended 31 August 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	262,287	219,648
Adjustments for:		
Depreciation of tangible assets	156,231	143,451
Loss on disposal of tangible assets	-	15,119
Interest paid	12,642	11,595
Interest received	(47)	(1)
Taxation charge	56,618	62,742
Increase in stocks	(22,999)	(71,567)
Increase in debtors	(165,295)	(190,586)
Decrease in creditors	(66,934)	(12,589)
Corporation tax (paid)	(13,300)	(21,181)
Net cash generated from operating activities	219,203	156,631
Cash flows from investing activities		
Purchase of tangible fixed assets	(78,301)	(49,192)
Sale of tangible fixed assets	-	27,639
Interest received	47	1
Net cash from investing activities	(78,254)	(21,552)
Cash flows from financing activities		
Other new loans	19,565	-
Repayment of other loans	(3,261)	-
Repayment of hire purchase	(93,755)	(124,677)
Interest paid	(12,642)	(11,595)
Net cash used in financing activities	(90,093)	(136,272)
Net increase/(decrease) in cash and cash equivalents	50,856	(1,193)
Cash and cash equivalents at beginning of year	27,457	28,650
Cash and cash equivalents at the end of year	78,313	27,457
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	78,313	27,457
	78,313	27,457

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

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:

Unit 6
Ricebridge
Brighton Road
Bolney
West Sussex
RH17 5NA

2. Accounting policies

2.1 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.

2.2 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.

2.3 Basis of preparation of financial statements

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.

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

2.4 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.

2.5 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.

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

2. Accounting policies (continued)

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Domain names	-	100 %	In full in the year of expenditure
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Research and development expenditure is written off as incurred.

2.7 Tangible fixed assets

Tangible assets are stated in the balance sheet at cost, less any accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.8 Stocks

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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 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.

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Share capital

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

2.15 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

2.16 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

**Notes to the financial statements
For the year ended 31 August 2017**

2. Accounting policies (continued)

2.17 Operating leases: the Company as lessee

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.

2.18 Leased assets: the Company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies 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 FRS102 and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods.

Stock valuation - all stock of raw materials, work in progress and finished goods are generally valued using an appropriate proportion of direct labour and overhead costs. The directors consider this reasonable given that they incur direct costs and overhead absorption in the production of work in progress and finished 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.

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

4. Turnover

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	2,098,028	2,065,190
Rest of Europe	935,474	859,866
Rest of the world	733,766	716,973
	<u>3,767,268</u>	<u>3,642,029</u>

5. Other operating income

	2017 £	2016 £
Carriage income	85,226	68,403
	<u>85,226</u>	<u>68,403</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets (owned)	50,289	29,043
Depreciation of tangible assets (hire purchase)	105,942	114,408
Research & development charged as an expense	12,641	4,574
Loss on disposal of plant and equipment	-	15,119
Cost of stock recognised as an expense	1,033,576	1,045,962
Fees payable to the Company's auditor	17,660	16,500
Exchange differences	(16,966)	(69,672)
Other operating lease rentals	160,695	152,911
	<u></u>	<u></u>

7. Other interest receivable and similar income

	2017 £	2016 £
Interest income on bank deposits	47	1
	<u></u>	<u></u>

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

8. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Work operatives	18	17
Administration and support	4	4
Engineering	4	4
Sales	9	9
Purchasing	2	2
	<u>37</u>	<u>36</u>

Staff costs

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	1,250,751	1,202,399
Social security costs	108,108	116,349
Pension costs, defined contribution scheme	58,321	52,703
Recruitment costs	-	5,850
Other employee expenses	10,381	16,474
	<u>1,427,561</u>	<u>1,393,775</u>

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	96,574	95,536
	<u>96,574</u>	<u>95,536</u>

10. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	295	1,909
Finance leases and hire purchase contracts	12,347	9,686
	<u>12,642</u>	<u>11,595</u>

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	47,161	32,524
Adjustments in respect of previous periods	-	1,957
	<u>47,161</u>	<u>34,481</u>
Total current tax	<u>47,161</u>	<u>34,481</u>
Deferred tax		
Origination and reversal of timing differences	13,696	28,261
Changes to tax rates	(4,239)	-
Total deferred tax	<u>9,457</u>	<u>28,261</u>
Taxation on profit on ordinary activities	<u>56,618</u>	<u>62,742</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.58% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>318,905</u>	<u>282,390</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.58% (2016 - 20%)	62,444	56,478
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	493	624
Capital allowances for year in excess of depreciation	(15,776)	(25,992)
Adjustments to tax charge in respect of prior periods	-	1,957
Short term timing difference leading to an increase (decrease) in taxation	9,457	28,261
Other differences leading to an increase (decrease) in the tax charge	-	1,414
Total tax charge for the year	<u>56,618</u>	<u>62,742</u>

Factors that may affect future tax charges

There were no factors affecting future tax charges other than potential group relief.

Flotronic Pumps Limited

**Notes to the financial statements
For the year ended 31 August 2017**

12. Intangible assets

	Domain names £
Cost	
At 1 September 2016	52,239
At 31 August 2017	52,239
Amortisation	
At 1 September 2016	52,239
At 31 August 2017	52,239
Net book value	
At 31 August 2017	-
At 31 August 2016	-

Flotronic Pumps Limited

Notes to the financial statements **For the year ended 31 August 2017**

13. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 September 2016	766	1,379,263	34,827	313,774	1,728,630
Additions	-	99,701	27,258	76,280	203,239
Disposals	-	-	(16,463)	-	(16,463)
At 31 August 2017	<u>766</u>	<u>1,478,964</u>	<u>45,622</u>	<u>390,054</u>	<u>1,915,406</u>
Depreciation					
At 1 September 2016	766	1,042,870	30,236	301,225	1,375,097
Charge for the year	-	129,077	11,405	15,749	156,231
Disposals	-	-	(16,463)	-	(16,463)
At 31 August 2017	<u>766</u>	<u>1,171,947</u>	<u>25,178</u>	<u>316,974</u>	<u>1,514,865</u>
Net book value					
At 31 August 2017	<u>-</u>	<u>307,017</u>	<u>20,444</u>	<u>73,080</u>	<u>400,541</u>
At 31 August 2016	<u>-</u>	<u>336,393</u>	<u>4,591</u>	<u>12,549</u>	<u>353,533</u>

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 £305,805 (2016 - £334,968).

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	228,038	286,157
Motor vehicles	20,443	4,591
Fixtures and fittings	20,435	-
	<u>268,916</u>	<u>290,748</u>

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

14. Stocks

	2017 £	2016 £
Raw materials and consumables	447,762	436,691
Work in progress	93,483	83,693
Finished goods and goods for resale	23,627	21,489
	<u>564,872</u>	<u>541,873</u>

15. Debtors

	2017 £	2016 £
Trade debtors excluding factored debts	616,349	558,516
Factored debts	368,720	257,281
Other debtors	695	43,077
Prepayments and accrued income	129,833	91,428
	<u>1,115,597</u>	<u>950,302</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.

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank	48,609	12,517
Short-term deposits	29,704	14,940
	<u>78,313</u>	<u>27,457</u>

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other finance loans	6,521	-
Trade creditors	276,816	305,269
Amounts owed to group undertakings	67,521	72,558
Corporation tax	31,719	13,300
Other taxation and social security	38,846	44,878
Obligations under hire purchase contracts	110,264	82,628
Other creditors	31,900	39,890
Accruals and deferred income	51,426	55,406
	<u>615,013</u>	<u>613,929</u>

18. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other finance loans	9,783	-
Net obligations under hire purchase contracts	194,702	191,155
	<u>204,485</u>	<u>191,155</u>

19. Loans

Analysis of the maturity of finance loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Other finance loans	6,521	-
	<u>6,521</u>	<u>-</u>
Amounts falling due 2-5 years		
Other finance loans	9,783	-
	<u>9,783</u>	<u>-</u>
	<u>16,304</u>	<u>-</u>

The finance loan is secured on the relevant assets.

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

20. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	113,121	82,628
Between 2-5 years	198,987	191,155
	<u>312,108</u>	<u>273,783</u>

The hire purchase creditors are secured on the relevant assets leased.

21. Deferred taxation

	2017 £	2016 £
At beginning of year	(28,261)	(28,261)
Charged to profit or loss	(9,457)	-
At end of year	<u>(37,718)</u>	<u>(28,261)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(38,921)	(29,675)
Pension provision	1,203	1,414
	<u>(37,718)</u>	<u>(28,261)</u>

22. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

23. Reserves

Fair value reserve

The fair value reserve represents the effect of a one off revaluation of plant and machinery in 1991 to fair value as explained in note 12 and is an undistributable reserve.

Profit and loss account

The profit and loss account includes all current and prior period retained profit and losses.

24. 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 prior 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 which run to October 2017 of the warranty obligation the amount will become payable to the customer on demand.

25. Pension commitments

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 £58,321 (2016 - £52,703).

Contributions totalling £7,077 (2016 - £7,072) were payable to the scheme at the end of the year and are included in other creditors.

26. Commitments under operating leases

At 31 August 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	146,127	143,354
Later than 1 year and not later than 5 years	383,472	506,042
	<u>529,599</u>	<u>649,396</u>

Flotronic Pumps Limited

Notes to the financial statements For the year ended 31 August 2017

27. 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 2016 and 2017 financial year. The total remuneration for key management personnel for the period totalled £96,574 (2016: £95,936) being remuneration disclosed in note 8.

Summary of transactions with parent company

Norris Holdings Limited

(Parent company)

During the year the Norris Holdings Limited provided the company with a interest free loan totalling £4,157 (2016: £2,098) in relation to the purchase of group tax relief from the group.

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 £14,000 (2016: £33,600)
Light and heat payable £13,095 (2016: £13,084)
Repairs and renewals payable £9,323 (2016: £12,309)
Accountancy and secretarial payable £52,800 (2016: £52,800)
Rent and rates payable £127,348 (2016: £119,607)
Insurance payable £7,826 (2016: £7,317)
Maintenance payable £6,410 (2016: £6,410)

At the balance sheet date the amount due to Norris Brothers Limited was £63,364 (2016: £64,680).

Norcon Norris Limited

(A group company)

During the year Norcon Norris Limited charged the company for computer costs totalling £Nil (2016: £100). The company charged Norcon Norris Limited for the use of their employees totalling £750 (2016: £24,938). These amounts have been included in the profit and loss account.

At the balance sheet date the amount due to Norcon Norris Limited was £Nil (2016: £5,779).

White Grey White Ltd

(A company controlled by Mr C Waite, the husband of Mrs J B Waite)

During the year the company was charged £21,800 by White Grey White Ltd for consultancy services (2016: £Nil).

At the balance sheet date the amount due to White Grey White Limited was £Nil (2016: £Nil).

28. Controlling party

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 Mrs J B Waite, Mrs L B Crane and Mrs S A Stretton.