

WELCOME

Welcome to Flowtech Fluidpower plc's third Annual Report for the year ended 31 December 2016

Who are we?

Flowtech Fluidpower plc, founded as Flowtech in 1983, is a leading specialist distributor of fluid power products. It has an international footprint with operations in the UK, ROI, Benelux and China.

The Group's largest site, including a Shared Logistics Centre, is in Skelmersdale, Lancashire and the business employed 319 people at the reporting date.

Our mission

Guided by its principles to build and maintain strong customer relations, the Group will continue to invest in its people, products and servicing requirements.

Our values

To create a key leader and to be the 'best in industry' for the fluid power sector.



See how we live our values on pages 26, 27 and 28

Contents

BUSINESS OVERVIEW

Chairman's letter	01
Financial and operational highlights	02
Reasons to invest	03
Group at a glance	04

STRATEGIC REPORT

Our marketplace	10
Our group business model	14
Our strategy	17
Case study – Indequip	20
Case study – People	22
Our key performance indicators	24
Case study – Delivering tailored solutions	26
Case study – Continuing strong traditions	27
Case study – Nurturing solid partnerships	28
Operational and financial review	30
Risk management	38
Sustainability	40

GOVERNANCE

Board of directors	44
Directors' report (other disclosures)	46
Statement of directors' responsibilities	49
Corporate governance report	50
Directors' remuneration report	52

FINANCIAL STATEMENTS

Independent auditor's report	54
Consolidated income statement	56
Consolidated statement of comprehensive income	57
Consolidated statement of financial position	58
Consolidated statement of changes in equity	59
Consolidated statement of cash flows	60
Notes to the consolidated financial information	61
Company income statement	103
Company statement of financial position	104
Company statement of changes in equity	105
Notes to the company financial information	106