

190

2/11/81

Airflow Developments Limited

Lancaster Road

High Wycombe

Buckinghamshire

Directors' Report and Accounts

for the year ended 31st March, 1981

A



Report of the Directors
for the year ended 31st March, 1981

The Directors present herewith the Audited Accounts for the year ended 31st March, 1981.

PRINCIPAL ACTIVITIES

The Company has continued to manufacture Air Measuring Equipment, Fans and Domestic Ventilation Units, as in previous years.

RESULTS

The results for the year are summarised in the Profit and Loss Account as set out on Page 4. Goods exported during the year amounted to £745,363 (1980: £543,908).

DIVIDENDS

The Directors recommend that no dividend be paid on the ordinary shares of the Company in respect of the year ended 31st March, 1981.

FIXED ASSETS

The movements in Fixed Assets during the year are set out in Note 13 to the Accounts.

MARKET VALUE OF INTERESTS IN LAND

In the opinion of the Directors the current open market value on an existing use basis of Land and Buildings both in England and Germany exceeded the amount of £234,529 at which they are included in the Balance Sheet at 31st March, 1981.

DIRECTORS

The Directors of the Company during the year ended 31st March, 1981 were:

A. Connor Wilson (Chairman)
E.J. Martin
P.E. Bagley
R. Barnett

In accordance with the Articles of Association R. Barnett, Esq, retires and being eligible, offers himself for re-election.

Apart from service contracts, no Director had any financial interest, either during or at the end of the financial year, in any contract with the Company or it's subsidiaries, nor in any shares of the Company.

AUDITORS

In accordance with Section 14(1) of the Companies Act 1976, a resolution to re-appoint the Auditors, Messrs. Keal, Platt & Co. will be proposed at the forthcoming Annual General Meeting.

EMPLOYEES

The average number of persons employed by the Company in the U.K. during the year was 212 (1980: 220) and their aggregate remuneration amounted to £1,388,000 (1980: £1,313,000).

CLOSE COMPANY PROVISIONS

As far as the Directors are aware the close company provisions of the Income and Corporation Taxes Act 1970 as amended, do not apply to the Company.

By Order of the Board

A. Connor Wilson

A. Connor Wilson

Chairman

11 August.....1981.

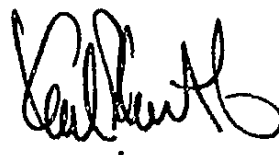
Report of the Auditors to the Members of

Airflow Developments Ltd

We have examined the Accounts set out on Pages 4 to 12.

These Accounts have been prepared under the historic cost convention. In our opinion these Accounts comply with the Companies Acts 1948 to 1980 and give, under the Accounting Convention stated above, a true and fair view of:

- a. the state of affairs of the Company at 31st March, 1981.
- b. the results for the year ended 31st March, 1981.
- c. the source and application of funds for the year ended 31st March, 1981.



Marlow, Bucks.
7th August, 1981.

Keal, Platt & Co
Chartered Accountants.

Profit and Loss Account
for the year ended 31st March, 1981

	<u>Notes</u>	<u>1981</u>	<u>1980</u>
Turnover	(1)	<u>£4,872,838</u>	<u>£4,788,611</u>
Profit after Charging:			
Directors' Remuneration	(9)	93,266	108,114
Auditors' Remuneration		6,250	8,000
Bank Interest		22,591	4,552
Depreciation	(13)	127,897	103,198
Loss on Sale of Assets		<u>7,195</u>	<u>2,867</u>
And after crediting			
Rent Receivable		9,371	10,166
Bank Interest Received		2,300	7,418
Dividend Received		47,150	-
Taxation		<u>218,578</u>	<u>311,448</u>
<u>RETAINED PROFITS FOR THE YEAR</u>		<u>194,624</u>	<u>239,268</u>
Retained Profits, brought forward		1,326,383	1,087,115
Transfer from Deferred Taxation	(15)	<u>209,700</u>	<u>-</u>
RETAINED PROFITS, carried forward		<u>£1,730,707</u>	<u>£1,326,383</u>

Balance Sheet at 31st March, 1981

	<u>Notes</u>	<u>1981</u>	<u>1980</u>
<u>FIXED ASSETS</u>	(13)	632,010	658,192
<u>SUBSIDIARY COMPANIES</u>	(8)	272,544	284,882
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	(1)	764,213	989,165
Debtors	(11)	1,027,486	1,044,259
Bank and Cash Balances		227,370	285
		<u>£2,019,069</u>	<u>£2,033,709</u>
<u>Less: CURRENT LIABILITIES</u>			
Creditors	(12)	719,848	853,941
Bank Overdraft		-	272,041
Taxation	(14)	210,788	52,438
		<u>£930,636</u>	<u>£1,178,420</u>
		1,088,433	855,289
<u>NET ASSETS</u>		<u>£1,992,987</u>	<u>£1,798,363</u>
<u>CAPITAL EMPLOYED</u>			
Share Capital	(10)	52,380	52,380
Retained Profits		1,730,707	1,326,383
Deferred Taxation	(15)	209,900	419,600
		<u>£1,992,987</u>	<u>£1,798,363</u>

A. Connors *H. Hildon*

 Directors

Notes forming part of the Accounts
for the year ended 31st March, 1981

1. ACCOUNTING POLICIES

Turnover

Turnover is the value of goods sold and services rendered not of Value Added Tax and discounts given for the year.

Stock and Work in Progress

Stock and Work in Progress are valued at the lower of cost or net realisable value in accordance with accepted practice.

8. SUBSIDIARY COMPANIES

		<u>1981</u>		<u>1980</u>
<u>Airflow Developments (Canda) Ltd</u>				
2,010 shares of no par value (Incorporated in Canada) at cost	686		686	
Current Account	<u>60,105</u>	60,791	<u>26,857</u>	27,543
<u>Airflow Lufttechnik GMBH</u>				
50,000 DM shares (Incorporated in West Germany) at cost	4,464		4,464	
Current Account	<u>148,807</u>	153,271	<u>187,899</u>	192,363
<u>Stemshire Engineering Ltd</u>				
Ordinary Shares at cost	5,000		5,000	
Loan Account	38,304		38,304	
Current Account	<u>15,178</u>	58,482	<u>21,672</u>	64,976
		<u>£272,544</u>		<u>£284,882</u>

These Companies are wholly owned subsidiaries.

Notes forming part of the Accounts
for the year ended 31st March, 1981

9. DIRECTORS' EMOLUMENTS

1981

1980

Particulars of Emoluments of the Directors
are as follows:

Chairman	£23,410	£20,488
	<u> </u>	<u> </u>
Highest Paid Director	£24,944	£24,221
	<u> </u>	<u> </u>

The number of Directors and their emoluments
were within the ranges

£15,001 to £20,000	1	2
£20,001 to £25,000	3	3

10. SHARE CAPITAL

The Ordinary Share Capital of the Company is
divisible into shares of £1 each as follows:

Authorised	£80,000	£80,000
Issued and Fully Paid	£52,380	£52,380

11. DEBTORS

Trade Accounts	1,022,276	995,907
Sundry Debtors and Prepayments	5,211	35,098
Airflow Community Ltd - Current Account	-	13,254
	<u>£1,027,487</u>	<u>£1,044,259</u>

12. CREDITORS

Trade Accounts	415,107	536,887
Sundry Creditors and Accruals	192,922	224,682
The Airflow 1973 Pension Scheme	38,063	41,854
Airflow Community Ltd - Current Account	864	-
Directors' Bonus	3,544	2,231
Employees' Bonus	69,348	48,287
	<u>£719,848</u>	<u>£853,941</u>

FIXED ASSETS

	Cost at 31.3.80	Additions at cost	Disposals at cost	Cost at 31.3.81	Depreciation Year to 31.3.81	Accumulated Depreciation	Book Value 31.3.81	Book Value 31.3.80
Leasehold Factories (see note below)	196,203	-	-	196,203	-	-	196,203	196,203
Land & Factory: Germany	38,326	-	-	38,326	-	-	38,326	38,326
Plant & Machinery	341,549	16,072	2,386	355,235	42,920	218,442	136,793	163,831
Injection Moulding & Press Tools	102,001	50,290	-	152,291	25,911	73,822	78,469	54,090
Loose Tools	33,757	1,871	-	35,628	4,565	32,071	3,557	6,251
Motor Vehicles	122,313	33,733	28,151	127,895	24,514	45,682	82,213	85,905
Office Furniture, Fittings & Equipment	195,769	15,295	5,250	205,814	29,125	112,342	93,472	110,526
Canteen Equipment	3,604	-	-	3,604	196	3,016	588	784
Exhibition Equipment	2,601	779	-	3,380	666	991	2,389	2,276
	£1,036,123	118,040	35,787	1,118,376	127,897	486,366	632,010	658,192

Note a) The Leasehold Factories shown above are situated in Lancaster Road and Lincoln Road, High Wycombe, Buckinghamshire.

b) No provision has been made for the liability to Capital Gains Tax which could arise if the Company's properties were to be sold and not replaced.

DEPRECIATION

Depreciation is calculated to write off the cost of Fixed Assets on a written down value basis with the exception of Loose Tools which is on a straight line basis. The principal annual rates used for this purpose which are consistent with those of the previous year are:

	Rate
Plant and Machinery	25%
Injection Moulding and Press Tools	33.3%
Loose Tools	33.3%
Motor Vehicles	25%
Office Furniture, Fixtures and Fittings	25%
Canteen Equipment	25%

Notes forming part of the Accounts
for the year ended 31st March, 1981

14. CORPORATION TAX

1981

1980

(a) The amount of tax due is made up as follows:

Due 1.1.79 (Balance)	8,801	8,801
Due 1.1.81 (In respect of year ended 31.3.80)	-	48,000
Due 1.1.82 (In respect of year ended 31.3.81)	208,350	-
	<u>217,151</u>	<u>56,801</u>
<u>Less:</u> Overpayment for previous years	<u>(6,363)</u>	<u>(4,363)</u>
	<u>£210,788</u>	<u>£52,438</u>

(b) The charge in the Profit and Loss Account is made up as follows:

Corporation Tax at 52% on profits for the year	214,500	48,000
Foreign Taxation	4,078	24,182
Transfer to Deferred Taxation	-	236,400
Net under provision for tax in previous years	-	2,866
	<u>£218,578</u>	<u>£311,448</u>

15. DEFERRED TAXATION

(a) Following recent changes in tax legislation, it has been decided to add the earlier provision for Deferred Taxation to the Retained Profits brought forward, since in the opinion of the Directors, there will be no liability to Corporation Tax in the foreseeable future in consequence of earlier claims for stock relief.

(b) Provision is made at 52% for taxation deferred by timing differences between depreciation and the corresponding allowances for tax purposes.

(c) Balance at 1.4.80	419,600	183,200
(Reduction)/Provision for the year	(209,700)	236,400
	<u>£209,900</u>	<u>£419,600</u>

16. The Directors have authorised a guarantee for an overdraft facility of 100,000 DM in favour of Airflow Lufttechnik GmbH with the Raiffeisen Bank.

Statement of Source and Application of Funds

for the year ended 31st March, 1981

<u>SOURCE OF FUNDS</u>	<u>1981</u>	<u>1980</u>
Profit before Taxation	413,202	550,716
Adjustment for Depreciation- not involving Movement of Funds	135,092	106,065
<u>TOTAL GENERATED FROM OPERATIONS</u>	548,294	656,781
From Sales of Fixed Assets	9,130	43,750
Subsidiary Companies	12,338	-
	<u>569,762</u>	<u>700,531</u>
 <u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	118,040	296,560
Subsidiary Companies	-	54,677
Taxation Paid	60,228	225,182
	<u>£178,268</u>	<u>£576,419</u>
 <u>Increase/(Decrease) in Working Capital</u>		
Stock and Work in Progress	(224,952)	336,512
Debtors	(16,773)	59,839
Creditors	134,093	(35,352)
	<u>£(107,632)</u>	<u>£360,999</u>
	<u>70,636</u>	<u>937,418</u>
	499,126	(236,887)
 <u>Increase/(Decrease) in Bank and Cash Balances</u>	<u>£499,126</u>	<u>£(236,887)</u>