

REGISTRAR'S COPY

Company Registration No 550374 (England and Wales)

AIRFLOW DEVELOPMENTS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

TUESDAY



A06 *A7C6ANLH* 428
21/09/2010
COMPANIES HOUSE

AIRFLOW DEVELOPMENTS LIMITED

DIRECTORS AND ADVISERS

Directors	A Siggins G Mueller J Mueller
Secretary	G Mueller
Company number	550374
Registered office	Lancaster Road High Wycombe Buckinghamshire HP12 3QP
Registered auditors	HW Sterling House 5 Buckingham Place Bellfield Road West High Wycombe Buckinghamshire HP13 5HQ
Business address	Lancaster Road High Wycombe Buckinghamshire HP12 3QP
Bankers	HSBC Bank PLC 1 Corn Market High Wycombe Buckinghamshire HP11 2AY

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 24

AIRFLOW DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the group continued to be the manufacture and distribution of air moving equipment

Sales were nearly £9.5 million for the year compared to £7.7 million in 2008, due to an increase in sales of domestic fans offset by a reduction in sales of industrial products

Margins increased by 2.4 percentage points due to the favourable sales mix

Expenses were marginally higher than 2008 on a pro-rata basis, mainly due to an increase in selling expenses in Germany and an increase in the sales team in the UK

As a result of the above operating profit was about £48,000 less than the previous year but in addition interest earned on the company's cash balances was lower by £45,000 due to the lower prevailing base rates, resulting in a profit before tax of £218,451, £97,000 less than last year

During the year the company invested in the UK, by way of a new computer system and improvements to its UK facilities, mainly in the form of a showroom/training and conference facilities

Results and dividends

The consolidated profit and loss account for the year is set out on page 5

Ordinary dividends of £nil (2008: £1,400,000) were proposed and paid during the period

Future developments

The company continues to develop new products to extend its range and also to meet new, stringent building regulations

The directors are confident that the recent investments that have been made in people, products, facilities and marketing will lead to increased sales volumes

Directors

The following directors have held office since 1 January 2009

A Siggins

G Mueller

J Mueller

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of directors' responsibilities

The directors are responsible for preparing 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



A Siggins
Director

16 September 2010

AIRFLOW DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRFLOW DEVELOPMENTS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Airflow Developments Limited for the year ended 31 December 2009 set out on pages 5 to 24. 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AIRFLOW DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF AIRFLOW DEVELOPMENTS LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Colin Fletcher (Senior Statutory Auditor)
for and on behalf of HW

17 September 2010

Chartered Accountants
Statutory Auditor

Sterling House
5 Buckingham Place
Bellfield Road West
High Wycombe
Buckinghamshire
HP13 5HQ

AIRFLOW DEVELOPMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	9,489,449	7,663,631
Cost of sales		(5,071,817)	(4,280,709)
Gross profit		4,417,632	3,382,922
Administrative expenses		(4,390,958)	(3,259,228)
Other operating income		206,250	157,226
Operating profit	3	232,924	280,920
Other interest receivable and similar income		6,585	51,553
Interest payable and similar charges	4	(21,058)	(17,001)
Profit on ordinary activities before taxation	3	218,451	315,472
Tax on profit on ordinary activities	5	(88,292)	(24,393)
Profit on ordinary activities after taxation		130,159	291,079

The profit and loss account has been prepared on the basis that all operations are continuing operations

AIRFLOW DEVELOPMENTS LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Profit for the financial year	130,159	291,079
Currency translation differences on foreign currency net investments	(98,153)	272,720
Total recognised gains and losses relating to the year	<u>32,006</u>	<u>563,799</u>

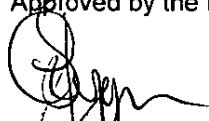
AIRFLOW DEVELOPMENTS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2009

	Notes	Group 2009 £	2008 £	Company 2009 £	2008 £
Fixed assets					
Tangible assets	8	787,873	580,257	754,960	543,853
Investments	9	-	-	70,892	70,892
		<u>787,873</u>	<u>580,257</u>	<u>825,852</u>	<u>614,745</u>
Current assets					
Stocks	10	1,218,572	1,385,789	671,153	630,619
Debtors	11	2,096,818	2,363,148	1,415,755	1,768,786
Cash at bank and in hand		1,561,700	1,575,146	1,102,767	1,218,235
		<u>4,877,090</u>	<u>5,324,083</u>	<u>3,189,675</u>	<u>3,617,640</u>
Creditors: amounts falling due within one year	12	<u>(1,173,318)</u>	<u>(1,380,863)</u>	<u>(727,012)</u>	<u>(935,337)</u>
Net current assets		<u>3,703,772</u>	<u>3,943,220</u>	<u>2,462,663</u>	<u>2,682,303</u>
Total assets less current liabilities		<u>4,491,645</u>	<u>4,523,477</u>	<u>3,288,515</u>	<u>3,297,048</u>
Creditors: amounts falling due after more than one year	13	<u>(335,295)</u>	<u>(383,902)</u>	<u>(320,973)</u>	<u>(364,033)</u>
Provisions for liabilities	14	<u>(395,830)</u>	<u>(411,061)</u>	<u>(50,387)</u>	<u>(57,557)</u>
		<u>3,760,520</u>	<u>3,728,514</u>	<u>2,917,155</u>	<u>2,875,458</u>
Capital and reserves					
Called up share capital	16	52,380	52,380	52,380	52,380
Other reserves	17	740,000	740,000	740,000	740,000
Profit and loss account	17	2,968,140	2,936,134	2,124,775	2,083,078
Shareholders' funds	18	<u>3,760,520</u>	<u>3,728,514</u>	<u>2,917,155</u>	<u>2,875,458</u>

Approved by the Board and authorised for issue on 16 September 2010


A Siggins
Director

Company Registration No 550374

AIRFLOW DEVELOPMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2009**

	£	2009 £	£	2008 £
Net cash inflow from operating activities		411,014		2,851,211
Returns on investments and servicing of finance				
Interest received	6,585		51,553	
Interest paid	(21,058)		(17,001)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(14,473)		34,552
Taxation		(31,144)		(15,898)
Capital expenditure				
Payments to acquire tangible assets	(332,536)		(67,063)	
Receipts from sales of tangible assets	2,300		90,899	
Net cash (outflow)/inflow for capital expenditure		(330,236)		23,836
Equity dividends paid		-		(1,400,000)
Net cash inflow before management of liquid resources and financing		35,161		1,493,701
Financing				
New long term bank loan	-		60,000	
Repayment of long term bank loan	(48,607)		(3,778)	
Repayment of other loans	-		(620,707)	
Capital element of hire purchase contracts	-		(1,000)	
Net cash (outflow)/inflow from financing		(48,607)		(565,485)
(Decrease)/increase in cash in the year		(13,446)		928,216

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

1	Reconciliation of operating profit to net cash inflow from operating activities	2009		2008	
		£		£	
	Operating profit	232,924		280,920	
	Depreciation of tangible assets	124,920		108,321	
	Profit on disposal of tangible assets	(2,300)		(33,557)	
	Decrease/(increase) in stocks	167,217		(224,463)	
	Decrease in debtors	244,005		1,804,220	
	(Decrease)/Increase in creditors within one year	(242,368)		241,007	
	Net effect of foreign exchange differences	(98,153)		272,720	
	(Decrease)/Increase in provisions	(15,231)		402,043	
	Net cash inflow from operating activities	411,014		2,851,211	
2	Analysis of net funds	1 January 2009	Cash flow	Other non-cash changes	31 December 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,575,146	(13,446)	-	1,561,700
	Debts falling due after one year	(383,902)	48,607	-	(335,295)
	Net funds	1,191,244	35,161	-	1,226,405
3	Reconciliation of net cash flow to movement in net debt	2009		2008	
		£		£	
	(Decrease)/increase in cash in the year	(13,446)		928,216	
	Cash outflow from decrease in debt	48,607		565,485	
	Movement in net funds in the year	35,161		1,493,701	
	Opening net funds/(debt)	1,191,244		(302,457)	
	Closing net funds	1,226,405		1,191,244	

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2009. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. No profit and loss account has been presented for Airflow Developments Limited as permitted by Section 408 of the Companies Act 2006.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% Straight line
Plant and machinery	10% Straight line or over the life of the asset
Fixtures, fittings & equipment	10%/12.5%/20% Straight line or over the life of the asset
Motor vehicles	25% Straight line

1.8 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

(continued)

1.10 Stock

Stock is valued at the lower of cost and net realisable value

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Assets and liabilities of overseas subsidiaries are translated at the rate ruling at the balance sheet date and the trading figures are translated at the average exchange rate for the year. Exchange differences arising are dealt with through reserves.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2009	2008
	£	£
Geographical segment		
UK	4,294,870	3,346,946
Overseas	5,194,579	4,316,685
	<u>9,489,449</u>	<u>7,663,631</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

3	Operating loss	2009	2008
		£	£
	Operating loss is stated after charging		
	Depreciation of tangible assets	124,920	108,321
	Loss on foreign exchange transactions	39,297	28,794
	Research and development	18,493	22,876
	Operating lease rentals	268,752	214,225
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £8,500, 2008 £8,500)	8,500	8,500
	and after crediting		
	Profit on disposal of tangible assets	(2,300)	(33,557)
	Profit on foreign exchange transactions	(4,596)	(43,789)
		<u> </u>	<u> </u>
4	Interest payable	2009	2008
		£	£
	Other interest	21,058	16,968
	Hire purchase interest	-	33
		<u> </u>	<u> </u>
		21,058	17,001
		<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

5 Taxation	2009	2008
	£	£
Domestic current year tax		
U K corporation tax	4,450	6,614
Foreign corporation tax		
Foreign corporation tax	61,517	94,131
Current tax charge	65,967	100,745
Deferred tax		
Deferred tax charge/credit current year	22,325	(76,352)
	88,292	24,393
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	218,451	315,472
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	61,166	88,332
Effects of		
Non deductible expenses	374	2,184
Depreciation add back	33,148	27,650
Capital allowances	(26,423)	(18,274)
Tax losses utilised	(22,961)	(28,714)
Overseas income double tax relief	21,499	(1,503)
Profit on disposals	(644)	(9,396)
Other tax adjustments	(192)	40,466
	4,801	12,413
Current tax charge	65,967	100,745

The company has estimated losses of £ 1,124,235 (2008 - £ 1,201,150) available for carry forward against future trading profits

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2009	2008
	£	£
Holding company's profit for the financial year	41,697	202,922

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

7	Dividends	2009 £	2008 £
	Ordinary interim paid	<u>-</u>	<u>1,400,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

8 Tangible fixed assets
Group

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2009	364,580	159,446	1,528,685	31,205	2,083,916
Additions	-	1,572	330,964	-	332,536
Disposals	-	-	(99,995)	-	(99,995)
At 31 December 2009	364,580	161,018	1,759,654	31,205	2,316,457
Depreciation					
At 1 January 2009	79,359	150,670	1,242,425	31,205	1,503,659
On disposals	-	-	(99,995)	-	(99,995)
Charge for the year	7,475	5,858	111,587	-	124,920
At 31 December 2009	86,834	156,528	1,254,017	31,205	1,528,584
Net book value					
At 31 December 2009	277,746	4,490	505,637	-	787,873
At 31 December 2008	285,221	8,776	286,260	-	580,257

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

Tangible fixed assets (continued)

Company

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2009	355,293	60,450	1,358,825	18,888	1,793,456
Additions	-	1,572	320,775	-	322,347
	<u>355,293</u>	<u>62,022</u>	<u>1,679,600</u>	<u>18,888</u>	<u>2,115,803</u>
At 31 December 2009	355,293	62,022	1,679,600	18,888	2,115,803
Depreciation					
At 1 January 2009	77,642	59,164	1,093,909	18,888	1,249,603
Charge for the year	6,950	1,443	102,847	-	111,240
	<u>84,592</u>	<u>60,607</u>	<u>1,196,756</u>	<u>18,888</u>	<u>1,360,843</u>
At 31 December 2009	84,592	60,607	1,196,756	18,888	1,360,843
Net book value					
At 31 December 2009	<u>270,701</u>	<u>1,415</u>	<u>482,844</u>	<u>-</u>	<u>754,960</u>
At 31 December 2008	<u>277,651</u>	<u>1,286</u>	<u>264,916</u>	<u>-</u>	<u>543,853</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

9 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2009 & at 31 December 2009	70,892
Net book value	
At 31 December 2009	70,892
At 31 December 2008	70,892

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Airflow Lufttechnik GmbH	Germany	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

Principal activity

Airflow Lufttechnik GmbH

The principal activity of Airflow Lufttechnik GmbH is similar to that of Airflow Developments Limited

10 Stocks

	Group 2009 £	2008 £	Company 2009 £	2008 £
Raw materials and consumables	-	123,671	-	123,671
Finished goods and goods for resale	1,218,572	1,262,118	671,153	506,948
	<u>1,218,572</u>	<u>1,385,789</u>	<u>671,153</u>	<u>630,619</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

11 Debtors

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade debtors	1,259,340	1,468,859	882,198	1,037,037
Amounts owed by group undertakings	-	-	101,575	253,701
Other debtors	384,149	425,794	(285)	51,077
Prepayments and accrued income	170,323	163,164	149,261	121,640
Deferred tax asset (see note 14)	283,006	305,331	283,006	305,331
	<u>2,096,818</u>	<u>2,363,148</u>	<u>1,415,755</u>	<u>1,768,786</u>

The deferred tax asset is recoverable after more than one year

12 Creditors : amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade creditors	597,772	702,401	397,344	494,864
Amounts owed to group undertakings	-	-	16,800	22,310
Corporation tax	145,005	110,182	714	6,614
Taxes and social security costs	116,087	130,390	116,087	130,390
Other creditors	19,336	52,844	19,336	52,844
Accruals and deferred income	295,118	385,046	176,731	228,315
	<u>1,173,318</u>	<u>1,380,863</u>	<u>727,012</u>	<u>935,337</u>

13 Creditors . amounts falling due after more than one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans	335,295	383,902	-	-
Other loans	-	-	320,973	364,033
	<u>-</u>	<u>-</u>	<u>320,973</u>	<u>364,033</u>

The bank loan is secured by a fixed and floating charge over the assets of Airflow Developments Limited

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

14 Provisions for liabilities Group

	German pension provision £	Other £	Total £
Balance at 1 January 2009	255,776	155,285	411,061
Profit and loss account	19,231	(34,462)	(15,231)
Balance at 31 December 2009	<u>275,007</u>	<u>120,823</u>	<u>395,830</u>

Company

Balance at 1 January 2009	-	57,557	57,557
Profit and loss account	-	(7,170)	(7,170)
Balance at 31 December 2009	<u>-</u>	<u>50,387</u>	<u>50,387</u>

The deferred tax asset (included in debtors, note 11) is made up as follows

	Group 2009 £	Company 2009 £
Balance at 1 January 2009	(305,331)	(305,331)
Profit and loss account	22,325	22,325
Balance at 31 December 2009	<u>(283,006)</u>	<u>(283,006)</u>

	2009 £	Group 2008 £	Company 2009 £	2008 £
Accelerated capital allowances	31,780	30,991	31,780	30,991
Tax losses available	(314,786)	(336,322)	(314,786)	(336,322)
	<u>(283,006)</u>	<u>(305,331)</u>	<u>(283,006)</u>	<u>(305,331)</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

15 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2009 £	2008 £
Contributions payable by the group for the year	280,496	-

16 Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
52,380 Ordinary shares of £1 each	52,380	52,380

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

17 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2009	740,000	2,936,134
Profit for the year	-	130,159
Foreign currency translation differences	-	(98,153)
Balance at 31 December 2009	<u>740,000</u>	<u>2,968,140</u>

Other reserves

Capital redemption reserve

Balance at 1 January 2009 & at 31 December 2009	<u>740,000</u>
---	----------------

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2009	740,000	2,083,078
Profit for the period	-	41,697
Balance at 31 December 2009	<u>740,000</u>	<u>2,124,775</u>

Other reserves

Capital redemption reserve

Balance at 1 January 2009 & at 31 December 2009	<u>740,000</u>
---	----------------

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

18 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Group		
Profit for the financial year	130,159	291,079
Dividends	-	(1,400,000)
	<u>130,159</u>	<u>(1,108,921)</u>
Other recognised gains and losses	(98,153)	272,720
	<u>32,006</u>	<u>(836,201)</u>
Net addition to/(depletion in) shareholders' funds	3,728,514	4,564,715
Opening shareholders' funds	<u>3,760,520</u>	<u>3,728,514</u>
Closing shareholders' funds	<u><u>3,760,520</u></u>	<u><u>3,728,514</u></u>
	2009	2008
Company	£	£
Profit for the financial year	41,697	202,922
Dividends	-	(1,400,000)
	<u>41,697</u>	<u>(1,197,078)</u>
Net addition to/(depletion in) shareholders' funds	2,875,458	4,072,536
Opening shareholders' funds	<u>2,917,155</u>	<u>2,875,458</u>
Closing shareholders' funds	<u><u>2,917,155</u></u>	<u><u>2,875,458</u></u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

19 Financial commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Expiry date				
Between two and five years	-	-	86,682	41,111
In over five years	235,333	235,333	-	-
	<u>235,333</u>	<u>235,333</u>	<u>86,682</u>	<u>41,111</u>

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Expiry date				
Between two and five years	-	-	86,682	41,111
In over five years	235,333	235,333	-	-
	<u>235,333</u>	<u>235,333</u>	<u>86,682</u>	<u>41,111</u>

20 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	<u>77,475</u>	<u>82,243</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2009 Number	2008 Number
Manufacturing	14	14
Non-manufacturing	58	60
	<u>72</u>	<u>74</u>

Employment costs

	2009 £	2008 £
Wages and salaries	2,295,835	1,858,251
Other pension costs	280,496	-
	<u>2,576,331</u>	<u>1,858,251</u>

22 Control

The ultimate holding company is Top Air A G , a company registered in Germany