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AIRFLOW DEVELOPMENTS LTD.

LANCASTER ROAD,

HIGH WYCOMBE,

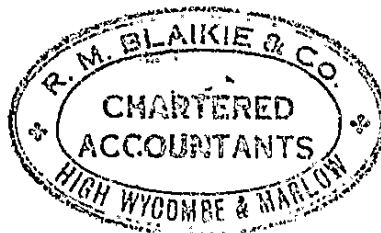
BUCKS.

ACCOUNTS

FOR THE YEAR ENDED

31st MARCH, 1975

18



1974  
£AUTHORISED CAPITAL

£80,000

80,000 Ordinary Shares of £1 each

£80,000 . 00

ISSUED CAPITAL

8,240

8,240 Ordinary Shares of £1 each

8,240 . 00

44,140

44,140 Ordinary Shares of £1 each, issued as fully paid

44,140 . 00

52,380

52,380 . 00

3,667

GENERAL RESERVE

3,667 . 00

-

TAXATION EQUALISATION ACCOUNT

36,250 . 00

PROFIT AND LOSS ACCOUNT

434,805

Balance at this date

535,663 . 84

£490,852

627,960 . 84

DEFERRED TAXATION LIABILITY

£40,000

Corporation Tax, year to 31st March, 1975 (Payable 1/1/76)

100,000 . 00

CURRENT LIABILITIES

350,747

Trade Creditors

281,379 . 48

321,036

Bank Overdraft and Loan Account

216,670 . 96

(Secured on the leasehold premises in Lancaster and Lincoln Road, together with a floating charge over remaining assets of the company in the United Kingdom)

10,201

Directors' Loan Accounts

Directors' Bonus:-

3,027

1970/71

3,026 . 95

1,738

1973/74

-

1974/75

3,393 . 46

9,302

Employees' Bonus

6,420 . 41

1,610

Hire Purchase Creditor

35,382 . 40

Corporation Tax:-

23,200 . 10

16,000

1 year to 31st March, 1972

20,000

1 Year to 31st March, 1973

-

1 Year to 31st March, 1974 (Balance)

3,314 . 40

-

Trustees of Airflow Pension Fund

8,978 . 01

£733,661

575,345 . 76

£1,264,513

£1,303,306 . 60

We have examined the annexed Balance Sheet and accompanying Profit and Loss Account

In our opinion the Balance Sheet and Profit and Loss Account have been properly prepared and fair view in the case of the Balance Sheet of the state of affairs as at 31st March, 1975.

27, High Street,  
High Wycombe,  
Bucks.

30th January, 1976.



SCHEDULE OF VARIATIONS IN FIXED ASSETS YEAR

	<u>Written down</u> <u>Value at 1.4.74</u>	<u>Sales du</u> <u>the Ye</u>
<u>Leasehold Factories:-</u>		
Lancaster Road and Lincoln Road, High Wycombe (Cost)	196,202 . 55	
<u>Land and Buildings Germany (at Cost)</u>	29,442 . 37	
<u>General Plant and Machinery</u>	16,825 . 00	3,215 .
<u>Precision Plant and Machinery</u>	15,725 . 00	
<u>Electronic Equipment</u>	991 . 00	
<u>Motor Vehicles</u>	10,023 . 00	7,739 .
<u>Office Furniture and Equipment and Fixtures and Fittings</u>	30,081 . 00	
<u>Canteen Equipment</u>	687 . 00	
	<hr/> £299,976 . 92 <hr/>	<hr/> £10,954 . <hr/>

FIXED ASSETS YEAR TO 31st MARCH, 1975

<u>Written down at 1.4.74</u>	<u>Sales during the Year</u>	<u>Profit on Sales</u>	<u>Additions During Year</u>	<u>Depreciation for the Year</u>	<u>Written down Value at 31.3.75</u>
02 . 55					196,202 . 55
42 . 37					29,442 . 37
25 . 00	3,215 . 00	1,609 . 00	9,748 . 45	2,496 . 45	22,471 . 00
25 . 00			225 . 00	1,595 . 00	14,355 . 00
91 . 00			94 . 32	162 . 32	923 . 00
23 . 00	7,739 . 74	1,149 . 79	28,859 . 24	8,455 . 29	23,837 . 00
81 . 00			14,437 . 45	4,451 . 45	40,067 . 00
87 . 00				108 . 00	579 . 00
<u>76 . 92</u>	<u>£10,954 . 74</u>	<u>£ 2,758 . 79</u>	<u>£53,364 . 46</u>	<u>£17,268 . 51</u>	<u>£327,875 . 92</u>

PROFIT AND LOSS  
FOR THE YEAR ENDED 31st MARCH

Brought forward

Standing Charges:-

Rates and Water	15,037 .
Lighting and Heating	9,016 .
Ground Rent	450 .
Repairs and Maintenance:-	
Property, Fixtures and Fittings	7,061 .
Plant and Machinery	4,786 .
Insurance	5,984 .

Finance Charges:-

Bank Interest and Charges	39,570 .
Hire Purchase Interest	1,920 .
Interest on late payment of Taxes	497 .

Selling and Distribution:-

Travelling and Entertaining Expenses	10,938 .
Exhibition Expenses	2,829 .
Advertising and Publicity	30,526 .
Carriage on Sales	21,712 .
Royalties	1,354 .
Export Credit Guarantee Dept. Charges	931 .
Motor Vans:- Running Expenses	10,176 . 00
Depreciation	2,027 . 41
Representatives' Expenses	-
Agents' Commission	27,404 .
Market Research Fees	-

Bad Debts and Specific Reserves

Loss on Assets Sold

Depreciation:-

Office Furniture, Fixtures, Fittings and Equipment	4,451 .
Plant and Machinery:-	
General	2,496 .
Precision	1,595 .
Electronic	162 .
Motor Cars	6,427 .

Ex Gratia Payments to Employees when leaving employment

Loss on Exchange

Net Profit for the Year

Less: Corporation Tax Payable on the Profit for the year  
Excess Provisions in previous years

Amounts transferred to Taxation Equalisation Account

Balance brought forward at 1st April, 1974

Balance carried to Balance Sheet at 31st March, 1975

# PROFIT AND LOSS ACCOUNT

ENDED 31st MARCH, 1975 (Continued)

		£	£	£	1973/74 £
	1,664,642 . 89	2,090,753 . 02		1,348,670	1,596,601
15,037 . 65			10,535		
9,016 . 88			6,750		
450 . 00			450		
7,061 . 69			1,087		
4,786 . 69			5,214		
<u>5,984 . 12</u>	42,337 . 03		<u>7,296</u>	31,332	
39,570 . 75			39,147		
1,920 . 51			-		
<u>497 . 38</u>	41,988 . 64		<u>-</u>	39,147	
10,938 . 57			9,507		
2,829 . 77			6,434		
30,526 . 88			22,606		
21,712 . 40			14,656		
1,354 . 39			209		
931 . 31			399		
		8,979			
12,203 . 41		<u>837</u>	9,816		
- -			3,065		
27,404 . 68			19,649		
<u>- -</u>	107,901 . 41		<u>1,444</u>	87,785	
	6,094 . 24			1,096	
	- -			1,012	
4,451 . 45			3,341		
2,496 . 45			1,870		
1,595 . 00			2,775		
162 . 32			174		
<u>6,427 . 88</u>	15,133 . 10		<u>2,501</u>	10,661	
	2,857 . 20			700	
	<u>374 . 89</u>	1,881,329 . 40		<u>195</u>	1,520,598
		209,423 . 62			76,003
	100,000 . 00			40,000	
	<u>27,685 . 60</u>			-	
	72,314 . 40			40,000	
	<u>36,250 . 00</u>	108,564 . 40		-	40,000
		100,859 . 22			36,003
		434,804 . 62			398,800
		<u>£535,663 . 84</u>			<u>£434,800</u>

Carried forward



DEVELOPMENTS LTD.

OR THE YEAR ENDED 31st MARCH, 1975

				1973/74
		£	£	£
2,084,051 . 57				1,593,070
8,143 . 04				7,103
2,075,908 . 53				1,585,967
9,818 . 18				3, -
138 . 57				-
2,118 . 95				2,610
-				4,203
2,768 . 79				-
2,090,753 . 02				1,596,601
374,517 . 79			400,547	
3,444 . 32			1,685	
377,962 . 11			402,232	
976,598 . 44		782,816		
13,898 . 56	990,497 . 00	4,535	787,351	
1,368,459 . 11			1,189,583	
376,943 . 00		374,518		
10,777 . 19	387,720 . 19	3,444	377,962	
	980,738 . 92		811,621	
	125,340 . 57		381,050	
	331,199 . 37		24,720	
	53,476 . 12		31,703	
	44,419 . 81		3,267	
	5,041 . 62		2,016	
	3,516 . 00			
51,171 . 34		39,439		
905 . 10		896		
2,286 . 14		4,115		
1,721 . 36		-		
273 . 43		334		
1,114 . 16		472		
8,984 . 94		6,985		
108 . 00		121		
-	66,564 . 47	1,456	53,818	
7,804 . 09		5,965		
20,918 . 73		14,427		
1,643 . 90		939		
2,083 . 42		2,261		
1,606 . 18		1,104		
7,432 . 27		7,643		
344 . 12		770		
1,647 . 00		1,796		
1,205 . 46		332		
5,088 . 08		4,489		
510 . 22		-		
-		749		
4,062 . 54	54,346 . 01	-	40,475	
1,664,642 . 89	2,090,753 . 02		1,348,670	1,596,601

25th March, 1976

AIRFLOW DEVELOPMENTS LTD  
Year ended 31st March, 1975  
CHAIRMAN'S REPORT

The year ended March 31st, 1975, was one in which we were facing increasing uncertainties in the economy as a whole. The annual rate of retail price inflation increased from about 12% at the beginning to 21% at the end. We were constantly having to cope with price increases on bought-in supplies and at the same time try to hold or increase our own output levels to keep our heads above water. A vigorous policy of budgetary control on monthly purchasing of supplies as well as on all other operating costs was pursued along with a systematic process of adjusting stock levels towards the minimum necessary for current and anticipated production requirements.

These policies combined with continuing efforts on all sides to increase product range, sales and production finally resulted in an increase in annual turnover, from £1,586,000 to £2,076,000. This is an increase in money terms of 31½% and in real (volume) terms, allowing for inflation, of approximately 13%. Stock levels, in money terms, only increased from £374,500 to £376,900 (0.6%) representing a real stock volume reduction of 13½%. These two movements in opposite directions with an almost constant workforce of 208 resulted in a record profit before tax of £209,000 with correspondingly high bonus payments to all employees.

Our sale of stock and standard fans at £434,000 continued to support this somewhat difficult market with a total sale for the year of £904,000.

Aidelle products again went forward with an increase from £351,000 to £471,000 (34% in money terms 15% in volume).

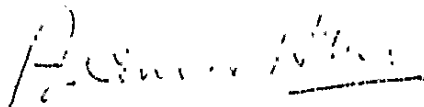
Instruments which carry a higher "added value" than other products contributed £476,000 or 23% of our turnover and 40% of our exports.

All exports at £339,000 were up by 31½% in money terms and 13% in volume compared with the previous year. These again constituted 16.3% of our turnover.

The sale of our Canadian factory in March 1974 necessitated removal to new premises and considerably disrupted our Canadian business which finished its year to March 1975 with a trading loss of about £9,000. Nevertheless the branch is now better organised and was able to remit to us a further £5,000 of earlier borrowing released by the sale of the building.

In our German branch a considerable volume of work for Rank Xerox, Venray, was secured with satisfactory trading results for the year.

Investment in production equipment during the year was again only at a modest level of £10,000 in line with our endeavours to keep operating costs down. The relatively high investment in replacement motor vehicles at £29,000, mainly towards the end of the year, was intended to effect a substantial reduction in our off-road time and maintenance costs. Even the very satisfactory profit made during the year must be viewed in the light of inflation. The inflated value of stock alone at the end of the year accounts for about £53,000 or 25% of the profit but the balance is still substantial and will, after tax, help to reduce bank borrowing which, in turn, will reduce interest charges next year. This could be regarded as paying off part of the cost of the Lincoln Road new building and should put us in a stronger position to make forward progress when the economy begins to revive.



A. Connor Wilson  
Chairman

## **SCAN UPON DEMAND**

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