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AIRFLOW DEVELOPMENTS LTD
LANCASTER ROAD,
HIGH WYCOMBE. BUCKS

ACCOUNTS FOR THE YEAR
1972/1973

R. M. BLAIKIE & CO.,
Chartered Accountants
HIGH WYCOMBE AND MARLOW

16.4.74.

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AIRFLOW DEVELOPMENTS LTD.
Year Ended 31st March, 1973

Chairman's Report.

As has been reported elsewhere the trading year to March 31st 1973 was a somewhat difficult one due to major changes in certain sections of our contract fan market but in spite of this our final net turnover at £1,323,445 was only £15,000 or 1¼% down on the previous year. Allowing for inflation this would, however, represent a reduction of something nearer 8 or 9% in real terms. It was estimated that in the Warm Air and Rank Xerox sections of the market we suffered a drop of nearly £250,000 in turnover compared with earlier anticipations but we succeeded in replacing most of this with other business.

Increased operating costs were incurred during the year reflecting our investment in further Research & Development and other indirect activity designed to strengthen our position for future business. This only resulted in a significant increase in turnover rate in the last quarter of the year.

The change in our product mix during the year is also reflected in a reduction from approximately £728,000 in 1971/72 to £668,000 in 1972/73 in the cost of materials consumed.

The tenfold increase in our bad debt reserve to £9,500 compared with the previous year indicates both the unsatisfactory trading experience of some of our customers during the year and the need to strengthen our own credit control procedures.

Our instrument business continued to make a useful contribution to our profitability and our export business continued to make progress in all areas.

Both of our overseas branches had difficult trading years but in conjunction with our colleagues in Rheinbach we did secure, against keen competition, some substantial contracts with Rank Venray which should ultimately offset some of the reduction of our level of trading with Rank Mitcheldean and provide our Rheinbach factory with a very valuable opportunity of getting much better equipped to deal with the Continental fan market.

All the factors reported above have combined to give us a reduction in net profit before tax to £54,000 compared with £84,000 for the previous year, but it is hoped that the upturn in order and output rate for the last quarter of the year is the beginning of better trading conditions for 1973/74.

A. Connor Wilson

A. Connor Wilson.

AIRFLOW DEVELOPMENTS LTD.
HIGH WYCOMBE

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 1973

Sales for the year	
Less Discounts Allowed	
Rents Receivable	
Bad Debts Recovered	
Discounts Received	
Industrial Training Board Grants (less levy)	
Profit on Exchange:- Canada	
Germany	
General	
Deduct:-	
Cost of Materials, Loose Tools and Equipment used in Production:-	
Valuations at 1st April, 1972:-	
Consumable Materials and Work in Progress	350,368 . 50
Loose Tools and Equipment	1,969 . 15
Purchases during the Year:-	
Consumable Materials	718,900 . 57
Loose Tools and Equipment	1,252 . 68
Less Valuations at 31st March, 1973:-	
Consumable Materials and Work in Progress	400,547 . 42
Loose Tools and Equipment	1,685 . 20
Factory Wages	
Office and Staff Salaries	
Directors' Salaries	
Representative's Salary and Expenses (Overseas)	
Company's Proportion of National Insurance Contributions	
Employee's Bonus	
Director's Bonus	
Payment to Airflow Community Ltd. under Deed of Covenant	
Employees' Indirect Benefits:-	
Redundancy Pay	63 . 16
Pension Scheme	25,858 . 52
Provisions for Employees' Future Pensions	821 . 90
Training and Course Fees	1,618 . 45
Annual Dinner and Dance	1,403 . 28
Subscription to Sports and Social Club	183 . 09
Overalls and Protective Clothing	658 . 33
Teas and Canteen Subsidy	3,273 . 96
Depreciation of Canteen Equipment	79 . 00
Administration:-	
Telephone	5,649 . 59
Stationery and Printing	8,992 . 97
Postage	5,340 . 94
Drawing Office Materials	1,286 . 78
Laundry and Cleaning	755 . 79
Subscriptions	524 . 80
Sundry Expenses	3,450 . 21
Patent Fees	804 . 15
Audit and Accountancy Fees	750 . 00
Legal Expenses	696 . 74
Motor Expenses	5,628 . 06
Consultancy Data Processing Fees	1,160 . 00

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 1973

				£	£	1971/72 £
			1,346,262.42			1,339,422
			2,817.60			705
			1,343,444.82			1,338,[illegible]
			5,407.00			2,278
			3.33			30
			– –			20
			4,415.10			2,837
			– –			387
			12,053.42			1,233
			167.43			–
			1,344,289.10			1,345,228
Production:-						
	350,368.50				320,606	
	1,969.15				5,123	
		352,33[illegible].61			312,129	
	710,900.37			767,835		
	1,252.68	720,15[illegible].05		2,527	770,382	
		1,072,49[illegible].70			1,082,511	
	400,547.42					
	1,685.20	402,2[illegible].62			352,338	
		670,2[illegible].08			730,173	
		194,77[illegible].33			177,058	
		136,00[illegible].01			109,172	
		24,00[illegible].84			21,506	
		5,2[illegible].42			3,765	
tions		21,37[illegible].79			17,771	
		13,6[illegible].54			21,133	
		2,67[illegible].36			3,328	
enant		2,01[illegible].00			2,016	
	63.16			–		
	23,850.52			10,756		
	821.90			832		
	1,610.43			1,897		
	1,403.28			1,270		
	103.09			236		
	658.33			577		
	3,273.96			2,331		
	79.00	31,95[illegible].67		92	26,041	
	5,649.59			4,330		
	8,992.97			9,787		
	5,540.94			4,904		
	1,286.70			1,407		
	735.79			1,378		
	524.80			1,072		
	3,450.21			4,904		
	804.15			948		
	750.00			572		
	695.74			539		
	5,628.06			6,016		
	1,160.00	35,04[illegible].03		780	35,567	
		1,136,977.07	1,344,289.10		1,151,414	1,345,228

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 1973 (Continued)

Brought Forward			3,336,333 . 07	3,[illegible]
Standing Charges:-				
Rates and Water		18,631 . 82		
Lighting and Heating		4,445 . 60		
Gas and Rent		430 . 00		
Repairs and Maintenance:-				
Property, Fixtures and Fittings	2,805 . 74			
Plant and Machinery	4,733 . 16	7,538 . 90		
Insurance		[illegible] . 32	30,430 . 59	
Finance Charges:-				
Bank Interest and Charges		22,[illegible] . 81		
Interest on Overdue Corporation Tax		[illegible] . 82	23,012 . 63	
Selling and Distribution:-				
Travelling, Hotel and Entertainment Expenses		10,383 . 06		
Exhibition Expenses		7,843 . 53		
Advertising and Publicity		20,257 . 03		
Carriage on Sales		11,[illegible] . 07		
Royalties		144 . 36		
Export Credit Guarantee Department Charges		337 . 19		
Motor Vans:- Running Expenses	10,031 . 35			
Depreciation	1,021 . 62	11,872 . 57		
Representatives' Expenses		4,723 . 41		
Agents' Commission		8,395 . 86		
Experimental Expenses		29 . 79		
Market Research Fees		1,419 . 27	78,008 . 56	
Car Park and Storage Rentals			314 . 00	
Bad Debts and Specific Reserves			9,683 . 86	
Loss on Assets Sold			224 . 45	
Depreciation:-				
Fixtures, Fittings and Equipment		1,693 . 01		
Plant and Machinery:- General		1,882 . 25		
Precision		1,997 . 28		
Electronic		206 . 00		
Office Furniture and Equipment		1,844 . 38		
Motor Cars		2,624 . 39	10,249 . 31	
Compensation for Loss of Office			1,000 . 00	
Loss on Exchange - Canada			1,600 . 45	1,2[illegible]
Net Profit for the year				5[illegible]
Less: Corporation Tax payable on the profit for the year			20,000 . 00	
Less: Excess provision in previous years			– –	[illegible]
				3[illegible]
Balance brought forward at 1st April, 1972				33[illegible]
Balance carried to Balance Sheet at 31st March, 1973				133[illegible]

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 1973 (Continued)

								1971/72
					£	£	£	£
							1,151,414	1,342,279
			1,136,977 . 07	1,194,289 . 10				
						7,242		
		10,454 . 81				5,479		
		6,235 . 60				459		
		450 . 00						
						5,153		
	2,805 . 74					4,770		
	4,733 . 16	7,530 . 90				1,695	24,957	
		3,839 . 38	30,490 . 69				1,176,371	
							10,203	
		22,902 . 01					-	
		209 . 02					1,150,574	
			23,012 . 63					
						6,046		
		10,163 . 06				5,254		
		7,865 . 55				10,662		
		20,859 . 03				13,604		
		11,488 . 07				266		
		184 . 56				245		
		337 . 19			9,013			
	10,051 . 35				1,518	10,531		
	1,021 . 62	11,072 . 97				2,396		
		4,723 . 41				1,348		
		6,305 . 86				1,216		
		89 . 79				3,650	60,256	
		1,419 . 27	76,008 . 56					
							1,638	
			314 . 00				955	
			9,688 . 86				139	
			224 . 45					
						1,234		
		1,695 . 01				1,406		
		1,082 . 25				1,971		
		1,997 . 28				242		
		206 . 00				2,234		
		1,844 . 38				3,029	10,116	
		2,624 . 39	10,249 . 31				-	
			1,000 . 00				-	1,261,658
			1,680 . 46	1,139,654 . 03				
								84,570
				54,635 . 07				
year			20,000 . 00				35,000	
			- -	20,000 . 00			2,515	32,485
				34,635 . 07				52,085
				364,167 . 30				312,082
								£364,167
				£398,802 . 37				

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SCHEDULE OF MOVEMENTS IN FIXED ASSETS

YEAR TO 31st MARCH, 1973

1972 £		Written down Value at 1/4/72	Sales etc. during the Year	[illegible]
	Leasehold Factories:-			
192,826	Lancaster Road and Lincoln Road, High Wycombe, (at Cost)	192,825 . 74		
29,442	Land and Buildings - Germany (at Cost)	29,442 . 37		
12,651	General Plant and Machinery	12,651 . 00	30 . 00	
17,745	Precision Plant and Machinery	17,745 . 00	100 . 00	(Loss 399 [illegible]
1,371	Electronic Equipment	1,371 . 00		
13,645	Motor Vehicles	13,643 . 30	[illegible],654 . 30	Profit 377 [illegible]
20,108	Office Furniture and Equipment	20,108 . 00	2,[illegible] . 00	
11,111	Fixtures, Fittings and Equipment	11,111 . 00	150 . 00	(Loss 263 [illegible]
524	Canteen Equipment	524 . 00		
£299,421		£299,421 . 49	£5,219 . 30	Loss £224 [illegible]

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SCHEDULE OF VARIATIONS IN FIXED ASSETS

YEAR TO 31st MARCH, 1973

...itten down ...lue at 1/4/72	Sales etc. during the Year	Profit or Loss on Sales	Additions during the Year	Depreciation for the Year	Written down Value at 31/3/73
...92,025 . 74			5,376 . 01		297,222 . 33
...29,442 . 37					29,442 . 37
...12,651 . 00	30 . 00		6,207 . 25	1,882 . 25	16,946 . 00
...17,745 . 00	100 . 00	(Loss 199 . 00)	2,533 . 28	1,997 . 28	17,982 . 00
1,371 . 00				206 . 00	1,165 . 00
...15,643 . 38	2,694 . 30	Profit 117 . 55	3,417 . 42	3,646 . 01	12,838 . 04
...20,108 . 00	2,205 . 00		621 . 38	1,844 . 38	16,680 . 00
...11,111 . 00	150 . 00	(Loss 203 . 00)	6,195 . 01	1,695 . 01	15,258 . 00
524 . 00				79 . 00	445 . 00
...99,421 . 49	£5,219 . 30	Loss 284 . 45	£22,351 . 15	£11,349 . 93	£504,970 . 56

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BALANCE SHEET

AS AT 31st MARCH, 1973

1972 £					
	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	
	GENERAL RESERVE				
3,667	Investment Grants Received			3,667 . 00	
	PROFIT AND LOSS ACCOUNT				
364,167	Balance at this date			378,802 . 37	
£420,214				434,849 . 37	
	DEFERRED TAXATION LIABILITY				
£35,000	Corporation Tax – year to 31st March, 1973 (payable 1/1/74)			40,000 . 00	
	CURRENT LIABILITIES				
281,229	Trade Creditors		311,914 . 04		
196,675	Bank Overdraft and Loan Account (Secured on the Leasehold Premises in Lancaster Road and Lincoln Road, together with a floating charge over remaining assets of the company in the United Kingdom.)		311,493 . 22		
[illegible],504	Directors' Loan Accounts		10,201 . 15		
	Directors' Bonuses:–				
3,863	1969/70	– –			
3,563	1970/71	3,563 . 00			
933	1971/72	– –			
–	1972/73	1,791 . 18	5,354 . 18		
8,028	Employees' Bonus		5,252 . 33		
	Corporation Tax:–				
18,836	1 Year to 31st March, 1968	– –			
9,034	1 Year to 31st March, 1969	– –			
5,895	1 Year to 31st March, 1970	– –			
21,000	1 Year to 31st March, 1971	9,000 . 00			
[illegible]	1 Year to 31st March, 1972	35,000 . 00	44,000 . 00		
£558,552				688,220 . 72	
£1,013,766				£1,163,070 . 09	£1,013,766

1972 £	
	FIXED ASSETS
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
13,643	[illegible]
20,108	[illegible]
11,111	[illegible]
321	[illegible]
£2[illegible],421	
	CURRENT ASSETS
350,3[illegible]	Valuations [illegible]
1,9[illegible]	Consumable [illegible]
352,337	Loose Tools [illegible]
279,932	Sundry Debt[illegible]
714	Cash in Han[illegible]
2,[illegible]	Expenses pa[illegible]
6[illegible]4,0[illegible]9	
	[illegible]
	Airflow Deve[illegible]
606	2,007 Share[illegible]
56,032	Ltd (Unsec[illegible]
56,738	
	Airflow Inf[illegible]
4,464	5,000 D.H[illegible]
57,054	Current Ac[illegible]
£76,256	

A. CO[illegible]

G.L. [illegible]

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 in accordan[illegible] a true and fair view in the case of the Balance Sheet of the state of affairs as at 31st March, 1973 and in th[illegible] period from 1st April, 1972 to 31st March, 1973.

27, High Street,
High Wycombe,
Bucks.

25th March, 1974.

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BALANCE SHEET

AS AT 31st MARCH, 1973

		1972 £		Total Cost	Depreciation to date	Written down Value
			FIXED ASSETS			
			Leasehold Factories:-			
		192,826	Lawter Road and Lincoln Road	196,203	-	193,938 . 53
		29,442	Leased Factory (Germany)	29,442	-	29,612 . 37
	8,240 . 00	12,691	General Plant and Machinery	30,378	11,632	16,945 . 00
	44,140 . 00	17,745	Precision Plant and Machinery	40,075	22,093	17,982 . 00
	52,380 . 00	1,371	Electronic Equipment	2,268	1,103	1,163 . 00
		13,643	Motor Vehicles	20,773	9,841	10,934 . 84
		20,108	Office Furniture and Equipment	27,443	10,815	16,600 . 00
	3,667 . 00	11,111	Fixtures, Fittings and Equipment	21,718	6,460	15,258 . 00
		524	Canteen Equipment	1,452	1,037	413 . 00
	398,802 . 37	£299,421		£369,990	163,011	304,978 . 96
	454,049 . 57		**CURRENT ASSETS**			
			Valuations (as valued by Directors):-			
		350,568	Consumable Materials and Work in Progress		400,747 . 42	
	20,000 . 00	1,969	Loose Tools and Equipment		1,685 . 20	
		352,537			402,432 . 62	
		279,932	Sundry Debtors (less Specific Reserves)		320,521 . 18	
34		714	Cash in Hand		1,295 . 09	
22		2,906	Expenses paid in advance		1,622 . 46	725,871 . 35
		£636,089				
			WHOLLY-OWNED SUBSIDIARY COMPANIES			
			Airflow Developments (Canada) Ltd.			
		606	2,107 Shares of no par value (at Cost)		606 . 15	
15		36,052	Loan (Unsecured)		39,458 . 53	
		36,738			40,124 . 68	
			Airflow Luftechnik G.m.b.h.			
		4,464	5,000 D.M. Shares (at Cost)	4,464 . 28		
		37,034	Current Account (Unsecured)	87,630 . 82	92,095 . 10	132,219 . 78
18		£78,236				
33						
00						
	688,220 . 72					
	£1,163,070 . 09	£1,013,766				£1,163,070 . 09

A. CONNOR WILSON }
C.L. MYLES } DIRECTORS

...ing Profit and Loss Account.

...unt have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967 and give ... of affairs as at 31st March, 1973 and in the case of the Profit and Loss Account of the trading result for the

R. M. Blaikie & Co.

CHARTERED ACCOUNTANTS

SCAN UPON DEMAND

We apologise that due to the poor quality of the fiche, some of the images scanned were also of poor quality