

Airflow Developments Limited

Lancaster Road

High Wycombe

Buckinghamshire

550374/78

Directors' Report and Accounts for the year

ended 31st March 1977

This is the copy referred to in the annexed Certificate (D)

.....*Connor Wilson*..... Director

.....*[Signature]*..... Secretary



Report of the Directors for the year  
ended 31st March, 1977

The Directors present herewith the Audited Accounts for the year ended 31st March, 1977.

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. The Balance Sheet discloses the state of the Company's affairs at 31st March, 1977, which continues to be satisfactory. Goods exported during the year amounted to £329,477 (1976 £329,779).

DIVIDENDS

The Directors recommend that no dividend be paid on the ordinary shares of the Company in respect of the year ended 31st March 1977.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 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 Leasehold Land and Buildings both in England and Germany exceeded the amount of £225,645 at which they are included in the Balance Sheet at 31st March, 1977.

DIRECTORS

The Directors of the Company at 31st March, 1977 all of whom have been Directors for the whole of the year ended on that date, were:

A. Connor Wilson (Chairman)  
E.J. Martin  
G.I. Myles  
P.S. Bagley  
R. Barnett  
D.J. Layzell

B.C. Wilson, Esq., resigned on 30th October, 1976.

In accordance with the Articles of Association Messrs. D.J. Layzell and R. Barnett retire by rotation and being eligible offer themselves for re-election.

Apart from service contracts no Director had any interest, either during or at the end of the financial year, in any contract with the Company or it's subsidiaries.

AUDITORS

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 190 and their aggregate remuneration amounted to £844,000 (1976 £668,000).

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

..... 18 Nov. .... 1977

Report of the Auditors to the Members of  
Airflow Developments Ltd.

We have examined the Accounts on pages 4 to 9 which have been prepared under the historical cost convention.

In our opinion the annexed Balance Sheet, Profit and Loss Account and Statement of Source and Application of Funds read in conjunction with the schedules and notes on pages 6 to 8 give a true and fair view of the state of the company's affairs at 31st March, 1977 and of its Profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.



6a High Street,  
Marlow, Bucks.

Keal, Platt & Co.  
Chartered Accountants.

15th September, 1977

Trading and Profit and Loss Account  
for the year ended 31st March 1977

	<u>Note</u>	<u>1977</u>	<u>1976</u>
		£	£
<u>Turnover</u>		<u>2,570,829</u>	<u>2,042,301</u>
Operating Profit after charging:		261,898	170,255
Depreciation	9	46,277	42,134
Directors' Emoluments	4	86,711	66,530
Auditors' Fees		4,708	2,500
Bank Interest		33,397	28,271
and after crediting:			
Income from Investment in Subsidiary (Gross)		27,414	-
Bank Interest Received		9,144	6,090
<u>PROFIT BEFORE TAXATION</u>		<u>261,898</u>	<u>170,255</u>
Taxation	6	<u>135,920</u>	<u>85,280</u>
<u>RETAINED PROFIT FOR THE YEAR</u>		<u>£ 125,978</u>	<u>£ 84,975</u>
RETAINED PROFIT FROM PREVIOUS YEARS		620,639	535,664
Add: TRANSFER FROM GENERAL RESERVE		<u>3,667</u>	<u>-</u>
		624,306	535,664
RETAINED PROFITS, Carried Forward		<u>£ 750,284</u>	<u>£ 620,639</u>

Balance Sheet at 31st March, 1977

	<u>Note</u>	<u>1977</u>	<u>1976</u>
<u>FIXED ASSETS</u>	9	354,468	344,021
<u>SUBSIDIARY COMPANIES</u>	2	144,795	137,103
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	1	465,202	408,399
Debtors		666,036	471,867
Bank and Cash Balances		118,778	141,448
		<u>£1,250,016</u>	<u>£1,021,714</u>
<u>Less: CURRENT LIABILITIES</u>			
Creditors		587,086	442,908
Bank Loan	3	183,300	200,000
Taxation	6	118,529	134,714
		<u>£888,915</u>	<u>£777,622</u>
<u>NET CURRENT ASSETS</u>		<u>361,101</u>	<u>244,092</u>
<u>NET ASSETS</u>		<u>£860,364</u>	<u>£725,216</u>
<u>CAPITAL EMPLOYED</u>			
Share Capital	5	52,380	52,380
General Reserve		-	3,667
Retained Profits		750,284	620,639
Deferred Taxation	7	57,700	48,530
		<u>£860,364</u>	<u>£725,216</u>

.....*A. Connor Wilson*.....

.....*[Signature]*.....

Directors

Notes forming part of the Accounts  
for the year ended 31st March 1977

1. STOCK AND WORK-IN-PROGRESS

Stock is valued at the lower of cost or net realisable value in accordance with accepted practice. The Company operates a standard costing system and standard prices having proved accurate have been used for valuation purposes at the year end.

2. SUBSIDIARY COMPANIES

	<u>1977</u>	<u>1976</u>
Airflow Developments (Canada) Ltd. 2,010 shares of no par value (incorporated in Canada) at cost	686	686
Current Account	<u>24,507</u>	<u>20,231</u>
	25,193	20,917
Airflow Lufttechnik GmbH 50,000 DM shares (incorporated in West Germany) at cost	4,464	4,464
	<u>115,138</u>	<u>111,722</u>
	119,602	116,186
	<u>£144,795</u>	<u>£137,103</u>

Both Companies are wholly owned Subsidiaries

3. BANK LOAN

The borrowing is secured on the leasehold premises in Lancaster Road together with a floating charge over the assets of the company in England.

The loan account is repayable over a 10 year period, from June 1975.

4. DIRECTORS' EMOLUMENTS

Particulars of Emoluments of the Directors are as follows:

Chairman	£15,245	£12,407
The number of Directors and their emoluments were within the ranges		
£5001 to £7500	-	4
£7501 to £10,000	1	-
£10,001 to £12,500	3	-
£12,501 to £15,000	1	3
£15,001 to £17,500	2	-

## 5. SHARE CAPITAL

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

	<u>1977</u>	<u>1976</u>
Authorised	£80,000	£80,000
Issued and Fully Paid	£52,380	£52,380

## 6. CORPORATION TAX

The amount of tax due is made up as follows:-

4,311	Due	1.1.75	(Balance)
114,218	Due	1.1.78	(In respect of year ended
			31st March, 1977)
<u>£118,529</u>			

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

On this year's profits	126,750
Amount transferred to deferred taxation	<u>9,170</u>
	<u>£135,920</u>

## 7. DEFERRED TAXATION

Provision is made for taxation deferred by timing differences between depreciation and the corresponding allowances for tax purposes and in respect of stock relief

Balance at 1.4.76	48,530
Provision for the year	<u>9,170</u>
Balance at 31.3.77	<u>£57,700</u>

Calculations are based on a Corporation Tax rate of 52%

## 8. CONTINGENT LIABILITY

There is a contingent liability on the company to Corporation Tax at the rates prevailing, which has not been provided for in the accounts. This liability arises in respect of the contributions made by the Company to the Airflow 1973 Pension Fund if this Fund does not gain Inland Revenue approval.

## 9. FIXED ASSETS

	Cost at 1.4.76	Additions at cost	Disposals at cost	Cost at 31.3.77	Depreciation year to 31.3.77	Accumulated Depreciation at 31.3.77	Book Value 31.3.77	Book Value 31.3.76
Leasehold Factories (see note below)	196,203	-	-	196,203	-	-	196,203	196,203
Land and Factory: Germany	29,442	-	-	29,442	-	-	29,442	29,442
Plant and Machinery	97,497	3,906	355	101,048	11,547	64,462	36,586	44,762
Injection Moulding and Press Tools	9,004	9,514	-	18,518	6,172	9,173	9,345	6,003
Loose Tools	2,208	3,918	-	6,126	2,042	2,778	3,348	1,473
Motor Vehicles	40,796	34,805	14,880	60,721	12,807	22,304	38,417	23,557
Office Furniture, Fittings and Equipment	81,438	15,285	15,695	81,028	13,201	41,427	39,601	42,646
Canteen Equipment	1,845	1,599	-	3,444	508	1,918	1,526	435
	<u>£458,433</u>	<u>£69,027</u>	<u>£30,930</u>	<u>£496,530</u>	<u>£46,277</u>	<u>£142,062</u>	<u>£354,468</u>	<u>£244,021</u>

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

## 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 years are:-

	Rate
Plant and Machinery	25%
Injection Moulding and Press Tools	33%
Loose Tools	33%
Motor Vehicles	25%
Office Furniture, Fixtures & Fittings	25%
Canteen Equipment	25%

Statement of Source and Application of Funds  
for the year ended 31st March 1977

	<u>1977</u>	<u>1976</u>
<u>SOURCE OF FUNDS</u>		
Profit before taxation	261,898	170,255
Adjustment for Depreciation not involving Movement of Funds	49,282	41,178
From Sales of Fixed Assets	9,297	8,015
	<u>320,477</u>	<u>219,448</u>
<u>APPLICATION OF FUNDS</u>		
(a) Purchase of Fixed Assets	69,026	65,337
(b) Subsidiary Companies	7,692	-
(c) Corporation Tax paid	<u>142,935</u>	<u>41,600</u>
	<u>219,653</u>	<u>106,937</u>
	100,824	112,511
(d) Increase in Working Capital		
Stocks and Work in Progress	56,803	20,679
Debtors	194,169	34,585
Creditors	(144,178)	(100,018)
Bank and Cash Balances	<u>(5,970)</u>	<u>157,265</u>
	<u>£100,824</u>	<u>£112,511</u>

# **SCAN UPON DEMAND**

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