

Company No. 558374

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Airflow Developments Limited

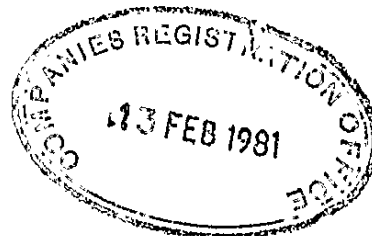
Lancaster Road

High Wycombe

Buckinghamshire

Directors' Report and Accounts

for the year ended 31st March, 1980



Report of the Directors
for the year ended 31st March, 1980

The Directors present herewith the Audited Accounts for the year ended 31st March, 1980.

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 £543,908 (1979: £525,638).

DIVIDENDS

The Directors recommend that no dividend be paid on the ordinary shares of the Company in respect of the year ended 31st March, 1980.

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, 1980.

DIRECTORS

The Directors of the Company during the year ended 31st March, 1980 were:

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

The Directors report with regret the death of G.L. Myles Esq on 19th January, 1980.

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 220 (1979: 201) and their aggregate remuneration amounted to £1,313,000 (1979: £1,173,000).

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

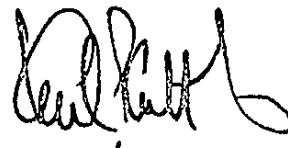
....23....December....1980.

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 and 1967 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, 1980.
- b. the results for the year ended 31st March, 1980.
- c. the source and application of funds for the year ended 31st March, 1980.



Marlow, Bucks.

19th December, 1980.

Keal, Platt & Co.


Chartered Accountants.

Profit and Loss Account
for the year ended 31st March, 1980

	<u>Notes</u>	<u>1980</u>	<u>1979</u>
Turnover	(1)	<u>£4,788,611</u>	<u>£4,068,719</u>
Profit after charging:		550,716	361,034
Directors' Remuneration	(9)	108,114	107,682
Auditors' Remuneration		8,000	5,755
Bank Interest		4,552	19,126
Depreciation	(13)	103,198	99,136
Loss on Sale of Assets		<u>2,867</u>	<u>-</u>
And after crediting			
Rent Receivable		10,163	16,500
Bank Interest Received		7,418	9,178
Profit on Sale of Assets		<u>-</u>	<u>926</u>
Taxation	(14)	<u>311,448</u>	<u>186,207</u>
<u>RETAINED PROFITS FOR THE YEAR</u>		<u>239,268</u>	<u>174,827</u>
Retained Profits, brought forward		<u>1,087,115</u>	<u>912,288</u>
<u>RETAINED PROFITS, carried forward</u>		<u>£1,326,383</u>	<u>£1,087,115</u>

Balance Sheet at 31st March, 1980

	<u>Notes</u>	<u>1980</u>	<u>1979</u>
<u>FIXED ASSETS</u>	(13)	658,192	511,447
<u>SUBSIDIARY COMPANIES</u>	(8)	284,882	230,205
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	(1)	989,165	652,653
Debtors	(11)	1,044,259	984,420
Cash Balances		285	474
		<u>£2,033,709</u>	<u>£1,637,547</u>
<u>Less: CURRENT LIABILITIES</u>			
Creditors	(12)	853,941	818,589
Bank Overdraft		272,041	35,343
Taxation	(14)	52,438	202,572
		<u>£1,178,420</u>	<u>£1,056,504</u>
		855,289	581,043
<u>NET ASSETS</u>		<u>£1,798,363</u>	<u>£1,322,695</u>
<u>CAPITAL EMPLOYED</u>			
Share Capital	(10)	52,380	52,380
Retained Profits		1,326,383	1,087,115
Deferred Taxation	(15)	419,600	183,200
		<u>£1,798,363</u>	<u>£1,322,695</u>



 W. Gibson Directors

Notes forming part of the Accounts
for the year ended 31st March, 1980

1. ACCOUNTING POLICIES

Turnover

Turnover is the value of goods sold and services rendered net 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

1980

1979

AirFlow Developments (Canada) Ltd

2,010 shares of no par value
(Incorporated in Canada) at cost

686

686

Current Account

26,857

27,543

38,298

38,984

Airflow Lufttechnik GMBH

50,000 DM shares (Incorporated
in West Germany) at cost

4,464

4,464

Current Account

187,899

192,363

147,053

151,517

Stemshire Engineering Ltd

Ordinary Shares at Cost

5,000

5,000

Loan Account

38,304

19,304

Current Account

21,672

64,976

15,400

39,704

£281,882

£230,205

These Companies are wholly owned subsidiaries.

9. DIRECTORS' EMOLUMENTS

1980

1979

Particulars of Emoluments of the Directors
are as follows:

Chairman

£20,488

£19,215

Highest Paid Director

£24,221

£19,740

The number of Directors and their emoluments
were within the ranges

£10,001 to £15,000

NIL

1

£15,001 to £20,000

2

5

£20,001 to £25,000

3

NIL

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

995,907

956,522

Sundry Debtors and Prepayments

35,098

23,058

AirFlow Community Ltd - Current Account

13,254

4,840

£1,044,259

£984,420

12. CREDITORS

Trade Accounts

536,887

431,804

Sundry Creditors and Accruals

224,682

185,376

The Airflow 1973 Pension Fund

41,854

98,249

Directors' Bonus

2,231

6,981

Employees' Bonus

48,287

96,179

£853,941

£818,589

3. FIXED ASSETS

	Cost at 1.4.79	Additions at cost	Disposals at cost	Cost at 31.3.80	Depreciation Year to 31.3.80	Accumulated Depreciation	Book Value 31.3.80	Book Value 31.3.79
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 and Machinery	265,590	75,959		341,549	41,985	177,718	163,831	128,557
Injection Moulding & Press Tools	62,409	39,592		102,001	13,631	47,911	54,090	28,129
Loose Tools	29,762	3,995		33,757	10,587	27,506	6,251	12,842
Motor Vehicles	110,085	82,333	70,105	122,313	14,913	36,408	85,905	64,907
Office Furniture, Fittings & Equipment	104,045	91,920	196	195,769	21,522	85,243	110,526	49,324
Canteen Equipment	3,444	160		3,604	235	2,820	784	853
Exhibition Equipment	-	2,601		2,601	325	325	2,276	-
	£809,864	296,560	70,301	1,036,123	103,198	377,931	658,192	511,447

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 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%

14. CORPORATION TAX

The amount of tax due is made up as follows:

	<u>1980</u>	<u>1979</u>
Due 1.1.79 (Balance)		
Due 1.1.80 (In respect of year ended 31.3.80)	8,801	46,246
Due 1.1.81 (In respect of year ended 31.3.80)	-	159,600
	48,000	-
	<u>56,801</u>	<u>205,846</u>
<u>Less:</u> Overpayment for previous years	(4,363)	(3,274)
	<u>£52,438</u>	<u>£202,572</u>

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

Corporation Tax at 52% on profits for the year	48,000	159,600
Foreign Taxation	24,182	-
Transfer to Deferred Taxation	236,400	29,500
Net under/(over) provision for tax in previous years	2,866	(2,893)
	<u>£311,448</u>	<u>£186,207</u>

15. DEFERRED TAXATION

Provision is made at 52% for taxation deferred by timing differences between depreciation and the corresponding allowances for tax purposes and in respect of stock relief.

Balance at 1.4.79	183,200	153,700
Provision for the year	236,400	29,500
Balance at 31.3.80	<u>£419,600</u>	<u>£183,200</u>

In the opinion of the Directors, the deferred taxation will not be payable in the foreseeable future, but because of the uncertainty of future tax legislation, the full amount has been provided.

16. Prior to 31st March, 1980, the Directors authorised a guarantee for an overdraft facility of 100,000 DM in favour of Airflow Lufttechnik GMBH with the Raiffeisen Bank eG. This facility was not made available until after the year end.

Statement of Source and Application of Funds
for the year ended 31st March, 1980

<u>SOURCE OF FUNDS</u>	<u>1980</u>	<u>1979</u>
Profit before Taxation	550,716	361,034
Adjustment for Depreciation not involving Movement of Funds	106,065	98,210
From Sales of Fixed Assets	43,750	22,158
Corporation Tax Received	-	3,537
	<u>700,531</u>	<u>484,939</u>
 <u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	296,560	157,417
Subsidiary Companies	54,677	54,578
Corporation Tax Paid	225,182	10,000
	<u>576,419</u>	<u>221,995</u>
 <u>Increase/(Decrease) in Working Capital</u>		
Stock and Work in Progress	336,512	76,549
Debtors	59,839	198,063
Creditors	(35,352)	(76,284)
	<u>360,999</u>	<u>198,328</u>
	<u>937,418</u>	<u>420,323</u>
	(236,887)	64,616
 <u>(Decrease)/Increase in Bank and Cash Balances</u>	<u>£(236,887)</u>	<u>£64,616</u>