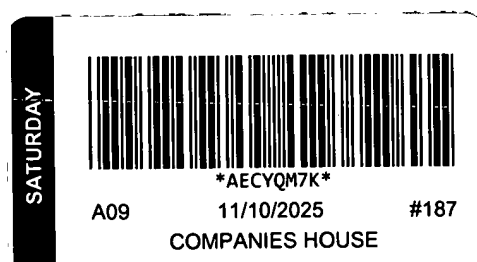


Company Registration No. 00550374 (England and Wales)

AIRFLOW DEVELOPMENTS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



AIRFLOW DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	A Siggins G Müller J Müller
Secretary	G Müller
Company number	00550374
Registered office	Aidelle House Lancaster Road Cressex Business Park High Wycombe Buckinghamshire HP12 3QP
Auditor	BK Plus Audit Limited Oakingham House Frederick Place High Wycombe Buckinghamshire HP11 1JU
Bankers	HSBC Bank PLC 1 Corn Market High Wycombe Buckinghamshire HP11 2AY

AIRFLOW DEVELOPMENTS LIMITED

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AIRFLOW DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Principal activities

The principal activity of the company and group continued to be the manufacture and distribution of ventilation equipment.

Review of the business

Sales were £33.0 million for the year a decrease of 60% against last year. 2024 saw more of the Government supported, post Covid19 contracts for school ventilation revert to more normal levels in Germany. The group also took the decision to withdraw from the industrial centrifugal fan business in all its markets; it is expected this division will be wound down over the next couple of years, but revenues and profits still remain positive. The company operates in very competitive global markets and is focusing its resources and investments on supporting its current strong brands and developing new product groups and markets.

Administrative expenses were 3.8% lower than 2023 mainly due to tight control of costs offset by an increase in R&D expenditure.

Operating Profit was £2.7million compared to the previous year of £13.6million. Operating Profit is considered to be a key performance indicator of the company.

The group produced a Profit before Tax of £3.2million compared to the previous year of £13.8million. Profit before Tax is considered to be a key performance indicator of the company. Profit after Tax was £2.1million compared to £9.3million last year.

Total comprehensive income after tax and after currency translations was £1.2million, compared to £9.0million last year.

AIRFLOW DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Future developments, future risks and uncertainties

The group has a strong balance sheet with cash balances at year end standing at £22.4million.

The outlook for the ventilation market looks strong with governments' emphasis on improving ventilation in all sectors and commitment to new build. In addition to the new build market the Repairs, Maintenance and Improvement (RMI) sector continues to offer excellent prospects for growth.

The group's range of products play an important part in bringing fresh air in and extracting the stale air out. These same products are also able to recover the energy already used to heat or cool the building. With the current emphasis on health and well-being, clean air in the home, the workplace and leisure facilities has never been more important. The company is positioned well to react to the increased awareness of the need for better indoor air quality. Regulations and directives continue to apply new minimums for energy efficiency and performance of ventilation products in the residential and commercial sectors, and this has a positive impact on the value of the ventilation market. The group continues to develop new products to extend its range and also to meet these new, stringent building regulations.

Airflow is committed to a low carbon future and working with all supply chain partners to reduce their own carbon emissions. Substantial progress has been made to date and ongoing investments in people and facilities will ensure this progress is maintained.

The directors are confident that the recent investments that have been made in people, products, facilities and marketing will lead to increased market share in 2025. As part of the international Top Air AG group of companies the directors aim to optimise group product, procurement and environmental opportunities.

Exchange Rate Risks

The group sources many of its components in US dollars and Euros and is therefore at risk of adverse exchange rate movements which are considered to be the key risks / uncertainties that the group faces. The directors manage this risk by hedging and invoicing its export customers in these currencies.

Credit Risks

The group's financial assets are cash and trade debtors. The credit risk associated with the cash balances is limited as the counter parties have high credit rating. Cash deposits are made with well-regarded international banks and the group regularly review the credit risk. The principal credit risk arises therefore from its trade debtors. The directors manage the credit risks in debtors through the application of credit control procedures.

Key performance indicators

Financial Key Performance indicators

The group has always maintained a strong balance sheet, and its turnover, gross profit, operating profit and profit before tax all communicate the financial strength of the group as a whole. These data are set out in the profit and loss account and the balance sheet.

Group Turnover - £33.1million (59.6% down against 2023)

Gross Profit - £13.7million (45.4% down against 2023)

Operating Profit - £2.7million (80.4% down against 2023)

Profit and Loss Reserves - £28.2million (4.6% higher than 2023)

Non- Financial Key Performance indicators

The group considers staff development, well-being and retention to be a key non-financial performance indicator. The group has made substantial investment in facilities to support these goals.

AIRFLOW DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Engagement with suppliers, customers and others

We work in partnership with our suppliers to ensure that the products and services they provide are of excellent standards. Our payment pattern indicates we adhere to our suppliers' payment terms, ensuring invoices are paid promptly.

By optimising technology, we deliver efficient and effective solutions to air movement, ensuring our clients and customers receive their best air movement solutions through expertise and technology.

The group is a responsible business for the community it serves. In conducting our business, the company seek to minimise waste, reduce the impact on the environment and reduce the use of energy resources. The directors recognize the impact our operations have on the environment and the communities in which we work.

Employees

The group is grateful to all the staff who once again contributed to such a positive financial performance. We continue to provide an environment where our employees can thrive and develop.

Safety

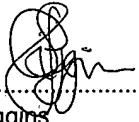
The group complies with health and safety regulations and promotes a safe work environment.

Section 172 Statement

The directors consider they have effectively implemented their roles and responsibilities under section 172 of the companies Act 2006 with the following processes continued to be enjoyed:

- Establishing a long-term strategy for the business which will continue to deliver successful results for the business, it's employees and wider stakeholders.
- Fostering relationships both up and down our supply chain and acting fairly between members of the company and treating all stakeholders with respect.
- Considering the impact, we have on the environment and the communities in which we work, both on individual projects and the business as a whole.
- Striving to be the supplier of choice for our customers through excellent delivery of quality, price and the manner in which we operate.

On behalf of the board


.....

A Siggins
Director

Date: 11.09.2025.....

AIRFLOW DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Results and dividends

The results for the year are set out on page 8. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Siggins
G Müller
J Müller

Auditor

In accordance with the company's articles, a resolution proposing that BK Plus Audit Limited, successor firm to Haines Watts High Wycombe Limited, be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

Methodology

This report has been compiled in line with the HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019 (the guidelines).

Our methodology for measuring and reporting carbon emissions is based on the Greenhouse Gas (GHG) Protocol Standard, developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). For emissions factors, we refer to the UK Government's Greenhouse Gas Reporting: Conversion Factors, now published by the Department for Energy Security and Net Zero (DESNZ), which are updated annually.

Scope	Description	Emissions Source	tCO ₂ e	
			2023	2024
Scope 1	Combustion of fuel on site and transportation	Natural Gas Vehicles: Petrol/Diesel	52	34
Scope 2	Purchased energy	Electricity	34	35
Total			86	69
Intensity Ratio	tCO ₂ e / £M Turnover (Group Level)		0.0000010	0.0000021
Energy Usage	Total kWh consumed	Electricity, Natural Gas	302,050	253,932
	Renewable %	Electricity	48.99%	99.33%

The split of the direct emissions between gas and fuel is as follows:

Scope	Description	Emissions Source	tCO ₂ e	
			2023	2024
Scope 1	Combustion of fuel on site and transportation	Natural Gas	31	22
		Vehicle Fuel	21	12

AIRFLOW DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Year on Year Emission Changes

Total location-based emissions decreased from 86 tCO₂e in 2023 to 65 tCO₂e in 2024, which is a 24.08% reduction compared to the previous year.

Scope 1 emissions decreased from 52 tCO₂e in 2023 to 34 tCO₂e in 2024, a 34.6% reduction. This decrease is due to lower consumption of both natural gas and vehicle fuel, with reductions of 49,890 kWh and 83,409 miles, respectively, compared to the previous year.

Scope 2 emissions increased from 34 tCO₂e in 2023 to 35 tCO₂e in 2024, a 3.4% increase. This increase is largely due to higher electricity consumption, driven by increased use of the hybrid delivery vehicle.

Measures taken to improve energy efficiency

- Switched to a 100% renewable electricity tariff at the UK Head Office.
- Replaced fluorescent lighting with energy-efficient LED lighting.
- Installed timer plugs for office electronics such as TVs, shredders, printers, etc. to reduce standby energy consumption.
- Launched internal employee engagement initiatives to promote energy-saving behaviours, including switching off lights and monitors at the end of the day.
- Enrolled in a Modeshift STARS Business-approved Employee Travel Plan, to encourage more sustainable commuting practices.

Statement of exclusions

Scope 1 exclusions

- No exclusions made.

Scope 2 exclusions

- Scope 2 purchased electricity does not include the Transmission and Distribution element as this is owned by the supplier.

Intensity Ratio exclusions

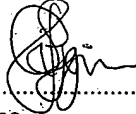
- An exemption has been applied from disclosing emissions and energy data in relation to Airflow's subsidiary undertaking in Germany.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and

(b) they have taken all the 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

Date: 11.09.2025

AIRFLOW DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the Annual 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 group and company, 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AIRFLOW DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AIRFLOW DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Airflow Developments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2024 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

AIRFLOW DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AIRFLOW DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

From the preliminary stage of the audit, we ensure our understanding of the entity is up to date. This includes, but is not limited to, current knowledge of their activities, the business and control environments, and their compliance with the applicable legal and regulatory frameworks. This information supports our risk identification and the subsequent design of audit procedures to mitigate those risks; ensuring that the audit evidence obtained is sufficient and appropriate to support our opinion.

In response to the risks identified, specific to this entity, we designed procedures which included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance, if available;
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business.

AIRFLOW DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AIRFLOW DEVELOPMENTS LIMITED

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions. There is always the unavoidable risks that material misstatements in the financial statements may not be detected despite the audit being properly performed in accordance with UK Auditing standards.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.

Kapil Davda
Senior Statutory Auditor
For and on behalf of BK Plus Audit Limited

Date: 11/09/2025

Statutory Auditor

Oakingham House
Frederick Place
High Wycombe
Buckinghamshire
HP11 1JU

AIRFLOW DEVELOPMENTS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	33,085,774	81,976,742
Cost of sales		(19,432,456)	(56,981,104)
Gross profit		13,653,318	24,995,638
Administrative expenses		(11,359,345)	(11,810,258)
Other operating income		366,583	366,985
Operating profit	4	2,660,556	13,552,365
Interest receivable and similar income	9	541,658	216,788
Interest payable and similar expenses	5	(84)	(5,553)
Profit before taxation		3,202,130	13,763,600
Tax on profit	10	(1,139,707)	(4,442,929)
Profit for the financial year		2,062,423	9,320,671

Profit for the financial year is all attributable to the owners of the parent company.

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

AIRFLOW DEVELOPMENTS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Profit for the year	2,062,423	9,320,671
Other comprehensive income		
Currency translation loss taken to retained earnings	(832,524)	(282,808)
Total comprehensive income for the year	<u>1,229,899</u>	<u>9,037,863</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

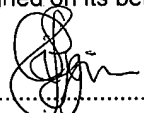
AIRFLOW DEVELOPMENTS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	11		2,848,662		3,097,113
			<u>2,848,662</u>		<u>3,097,113</u>
Current assets					
Stocks	14	6,161,322		5,108,672	
Debtors	15	5,734,988		7,128,974	
Cash at bank and in hand		22,405,393		24,206,931	
		<u>34,301,703</u>		<u>36,444,577</u>	
Creditors: amounts falling due within one year	16	(3,761,276)		(7,628,770)	
Net current assets			<u>30,540,427</u>		<u>28,815,807</u>
Total assets less current liabilities			<u>33,389,089</u>		<u>31,912,920</u>
Provisions for liabilities					
Provisions	18	1,581,525		1,311,929	
Deferred tax liability	19	41,810		65,136	
		<u>(1,623,335)</u>		<u>(1,377,065)</u>	
Net assets			<u>31,765,754</u>		<u>30,535,855</u>
Capital and reserves					
Called up share capital	20	2,852,380		2,852,380	
Capital redemption reserve		740,000		740,000	
Profit and loss reserves		28,173,374		26,943,475	
Total equity			<u>31,765,754</u>		<u>30,535,855</u>

The financial statements were approved by the board of directors and authorised for issue on 11.09.2025 and are signed on its behalf by:



 A Siggins
 Director

Company registration number 00550374 (England and Wales)

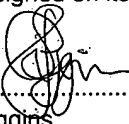
AIRFLOW DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	11	2,197,678		2,351,362	
Investments	12	70,892		70,892	
		<u>2,268,570</u>		<u>2,422,254</u>	
Current assets					
Stocks	14	3,434,317		3,015,459	
Debtors	15	1,970,080		1,961,800	
Cash at bank and in hand		6,241,054		6,418,310	
		<u>11,645,451</u>		<u>11,395,569</u>	
Creditors: amounts falling due within one year	16	<u>(1,715,713)</u>		<u>(1,660,629)</u>	
Net current assets			9,929,738		9,734,940
Total assets less current liabilities			<u>12,198,308</u>		<u>12,157,194</u>
Provisions for liabilities					
Provisions	18	213,824		214,036	
Deferred tax liability	19	41,810		65,136	
		<u>(255,634)</u>		<u>(279,172)</u>	
Net assets			<u>11,942,674</u>		<u>11,878,022</u>
Capital and reserves					
Called up share capital	20	2,852,380		2,852,380	
Capital redemption reserve		740,000		740,000	
Profit and loss reserves		8,350,294		8,285,642	
Total equity			<u>11,942,674</u>		<u>11,878,022</u>

The financial statements were approved by the board of directors and authorised for issue on 11.09.2025 and are signed on its behalf by:



 A Siggins
 Director

Company registration number 00550374 (England and Wales)

AIRFLOW DEVELOPMENTS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2023	2,852,380	740,000	17,905,612	21,497,992
Year ended 31 December 2023:				
Profit for the year	-	-	9,320,671	9,320,671
Other comprehensive income:				
Currency translation differences on overseas subsidiaries	-	-	(282,808)	(282,808)
Total comprehensive income for the year	-	-	9,037,863	9,037,863
Balance at 31 December 2023	2,852,380	740,000	26,943,475	30,535,855
Year ended 31 December 2024:				
Profit for the year	-	-	2,062,423	2,062,423
Other comprehensive income:				
Currency translation differences on overseas subsidiaries	-	-	(832,524)	(832,524)
Total comprehensive income for the year	-	-	1,229,899	1,229,899
Balance at 31 December 2024	2,852,380	740,000	28,173,374	31,765,754

AIRFLOW DEVELOPMENTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2023	2,852,380	740,000	7,693,881	11,286,261
Year ended 31 December 2023:				
Profit and total comprehensive income for the year	-	-	591,761	591,761
Balance at 31 December 2023	2,852,380	740,000	8,285,642	11,878,022
Year ended 31 December 2024:				
Profit and total comprehensive income	-	-	64,652	64,652
Balance at 31 December 2024	2,852,380	740,000	8,350,294	11,942,674

AIRFLOW DEVELOPMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024		2023	
	Note	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27	1,716,772		18,200,498	
Interest paid		(84)		(5,553)	
Income taxes paid		(3,111,738)		(4,096,217)	
Net cash (outflow)/inflow from operating activities		(1,395,050)		14,098,728	
Investing activities					
Purchase of tangible fixed assets		(118,167)		(402,792)	
Proceeds on disposal of tangible fixed assets		2,545		39,291	
Interest received		541,658		216,788	
Net cash generated from/(used in) investing activities		426,036		(146,713)	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(969,014)		13,952,015	
Cash and cash equivalents at beginning of year		24,206,931		10,537,724	
Effect of foreign exchange rates		(832,524)		(282,808)	
Cash and cash equivalents at end of year		22,405,393		24,206,931	

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Airflow Developments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Aidelle House, Lancaster Road, Cressex Business Park, High Wycombe, Buckinghamshire, United Kingdom, HP12 3QP.

The group consists of Airflow Developments Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Airflow Developments Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2024.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on these assessments, given the measures that could be undertaken to mitigate any adverse conditions, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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 except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

The deferred tax balance is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

1.12 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Defined Contribution Plan

Contributions payable to the defined contribution retirement benefit scheme for the period is recognised as:

- As a liability; after deducting any amount already paid.
- As an expense as the amount falls due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Foreign exchange

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.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Bad debt provisions are made following review of the debtor ledger and taking into account the ageing of debtors and any known issues.

Stock provisions are made following a review of the stock listing for any slow moving, obsolete or damaged lines.

Warranty provisions are made at a set percentage of relevant sales, with an additional provision made for the total of warranty costs in the last year.

Rebate provisions are made based on entitlement per contractual agreements.

In all cases, the directors' judgement is applied when accounting for provisions.

Taxation

The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred taxation

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation rates and taxation rates.

3 Turnover and other revenue

The company does not disclose its turnover by geographic market as it considers that it would be detrimental to its business.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 Operating profit

	2024 £	2023 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(38,172)	(4,684)
Research and development costs	400,223	80,946
Depreciation of owned tangible fixed assets	362,370	403,316
Cost of stocks recognised as an expense	19,432,456	56,981,104
Operating lease charges	636,858	687,655
	<u> </u>	<u> </u>

5 Interest payable and similar expenses

	2024 £	2023 £
Other finance costs:		
Other interest	84	5,553
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2024 Number	2023 Number
Manufacturing	15	15
Non-manufacturing	108	108
	<u> </u>	<u> </u>
	123	123
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	6,003,029	6,463,760
Social security costs	212,621	243,270
Pension costs	1,010,132	989,731
	<u> </u>	<u> </u>
	7,225,782	7,696,761
	<u> </u>	<u> </u>

Remuneration of key management personnel

There are no key management personnel other than the directors.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	122,164	124,985
Company pension contributions to defined contribution schemes	11,325	8,800
	<u>133,489</u>	<u>133,785</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2023 - 1).

8 Auditor's remuneration

	2024 £	2023 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	12,800	12,458
	<u>12,800</u>	<u>12,458</u>

9 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	541,658	216,788
	<u>541,658</u>	<u>216,788</u>

10 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	-	54,888
Adjustments in respect of prior period for overseas tax	-	(189,159)
Total UK current tax	-	(134,271)
Foreign current tax on profits for the current period	1,163,033	4,571,420
Total current tax	<u>1,163,033</u>	<u>4,437,149</u>
Deferred tax		
Origination and reversal of timing differences	(23,326)	5,780
Total tax charge for the year	<u>1,139,707</u>	<u>4,442,929</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024 £	2023 £
Profit before taxation	3,202,130	13,763,600
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	800,533	3,440,900
Tax effect of expenses that are not deductible in determining taxable profit	23,493	6,193
Unutilised tax losses carried forward	9,518	-
Effect of change in corporation tax rate	-	(4,647)
Permanent capital allowances in excess of depreciation	14,764	28,658
Research and development tax credit	(64,104)	(14,429)
Overseas tax	372,832	1,246,338
Adjustment in respect of prior year period for overseas taxes	-	(189,159)
Patent box deduction	(17,329)	(70,925)
Taxation charge for the year	1,139,707	4,442,929

11 Tangible fixed assets

Group	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2024	2,336,159	242,677	2,860,617	69,742	5,509,195
Additions	-	3,590	114,577	-	118,167
Disposals	-	-	(122,564)	-	(122,564)
At 31 December 2024	2,336,159	246,267	2,852,630	69,742	5,504,798
Depreciation and impairment					
At 1 January 2024	333,936	183,605	1,864,085	30,456	2,412,082
Depreciation charged in the year	36,773	23,936	290,697	10,964	362,370
Eliminated in respect of disposals	-	-	(118,316)	-	(118,316)
At 31 December 2024	370,709	207,541	2,036,466	41,420	2,656,136
Carrying amount					
At 31 December 2024	1,965,450	38,726	816,164	28,322	2,848,662
At 31 December 2023	2,002,223	59,072	996,532	39,286	3,097,113

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Tangible fixed assets (Continued)

Company	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	2,336,159	62,022	1,568,636	69,742	4,036,559
Additions	-	-	36,810	-	36,810
At 31 December 2024	2,336,159	62,022	1,605,446	69,742	4,073,369
Depreciation and impairment					
At 1 January 2024	333,936	62,022	1,258,783	30,456	1,685,197
Depreciation charged in the year	36,773	-	142,757	10,964	190,494
At 31 December 2024	370,709	62,022	1,401,540	41,420	1,875,691
Carrying amount					
At 31 December 2024	1,965,450	-	203,906	28,322	2,197,678
At 31 December 2023	2,002,223	-	309,853	39,286	2,351,362

12 Fixed asset investments

	Note	Group 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	13	-	-	70,892	70,892

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
Airflow Lufttechnik GmbH Germany	Manufacture & distribution of air moving equipment.	Ordinary	100

14 Stocks

	Group 2024 £	2023 £	Company 2024 £	2023 £
Finished goods and goods for resale	6,161,322	5,108,672	3,434,317	3,015,459

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Debtors

	Group 2024	2023	Company 2024	2023
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,878,113	3,970,812	1,495,874	1,264,709
Corporation tax recoverable	170,112	35,112	170,112	35,112
Other debtors	1,372,757	1,097,893	-	-
Prepayments and accrued income	1,314,006	2,025,157	304,094	661,979
	<u>5,734,988</u>	<u>7,128,974</u>	<u>1,970,080</u>	<u>1,961,800</u>

16 Creditors: amounts falling due within one year

	Group 2024	2023	Company 2024	2023
	£	£	£	£
Trade creditors	1,038,950	584,141	777,528	289,794
Amounts owed to group undertakings	-	-	6,971	10,118
Corporation tax payable	209,273	2,022,978	-	-
Other taxation and social security	424,738	397,887	349,356	337,688
Other creditors	1,825,558	3,558,152	319,101	668,546
Accruals and deferred income	262,757	1,065,612	262,757	354,483
	<u>3,761,276</u>	<u>7,628,770</u>	<u>1,715,713</u>	<u>1,660,629</u>

17 Financial instruments

	Group 2024	2023	Company 2024	2023
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>4,250,870</u>	<u>5,068,705</u>	<u>1,495,874</u>	<u>1,264,709</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>3,127,265</u>	<u>5,207,905</u>	<u>1,366,357</u>	<u>1,322,941</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Provisions for liabilities

	Note	Group 2024 £	2023 £	Company 2024 £	2023 £
Pension obligations		1,367,701	1,097,893	-	-
Warranty provision		213,824	214,036	213,824	214,036
		<u>1,581,525</u>	<u>1,311,929</u>	<u>213,824</u>	<u>214,036</u>
Deferred tax liabilities	19	41,810	65,136	41,810	65,136
		<u>1,623,335</u>	<u>1,377,065</u>	<u>255,634</u>	<u>279,172</u>

	Pension obligations £	Warranty provision £	Total £
Group			
At 1 January 2024	1,097,893	214,036	1,311,929
Additional provisions in the year	269,808	-	269,808
Utilisation of provision	-	(212)	(212)
At 31 December 2024	<u>1,367,701</u>	<u>213,824</u>	<u>1,581,525</u>
	Pension obligations £	Warranty provision £	Total £
Company			
At 1 January 2024	-	214,036	214,036
Utilisation of provision	-	(212)	(212)
At 31 December 2024	<u>-</u>	<u>213,824</u>	<u>213,824</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2024 £	Liabilities 2023 £
Group		
Accelerated capital allowances	<u>41,810</u>	<u>65,136</u>

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

19 Deferred taxation

(Continued)

	Liabilities 2024 £	Liabilities 2023 £
Company		
Accelerated capital allowances	41,810	65,136
	Group 2024 £	Company 2024 £
Movements in the year:		
Liability at 1 January 2023	65,136	65,136
Credit to profit and loss	(23,326)	(23,326)
Liability at 31 December 2023	41,810	41,810

20 Share capital

	Group and company 2024 £	2023 £
Allotted, issued and fully paid		
52,380 Ordinary shares of £1 each	52,380	52,380
2,800,000 Redeemable preference shares of £1 each	2,800,000	2,800,000
	2,852,380	2,852,380

The company has one class of ordinary shares which carry voting rights, rights to dividend distributions and rights on a company wind up.

The company has one class of preference shares which carry rights to dividend distributions and rights on a company wind up.

Called-up share capital - represents the nominal value of shares that have been issued.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Within one year	777,640	219,718	208,629	210,875
Between two and five years	41,431	395,084	28,605	125,531
In over five years	9,448	-	-	-
	<u>828,519</u>	<u>614,802</u>	<u>237,234</u>	<u>336,406</u>

22 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>1,010,132</u>	<u>989,731</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

23 Controlling party

The immediate holding company is Top Air A.G, a company registered in Germany. The ultimate controlling company is M4 Verwaltungs GmbH, a company registered in Germany.

24 Parent company profit for 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:

Parent company's profit for the financial year was £64,652(2023: £591,761).

25 Related party transactions

The company is a wholly owned subsidiary of Top Air A.G, the consolidated financial statements of which are publically available. Accordingly, the company has taken advantage of the exemption in Section 33 of FRS 102 from disclosing transactions with other group companies of the Top Air A.G group.

AIRFLOW DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

26 Financial risk management

Foreign exchange transactional currency exposure

The group is exposed to currency exchange risk, due to a proportion of its payables and operating expenses being denominated in non-Sterling currencies. The net exposure of each currency is closely monitored and managed by management.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows.

Customer credit exposure

The group may offer credit terms to its customers allowing payment of the debt after delivery of the goods and services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. The risk is mitigated by strong credit control, client acceptance procedures and close management of on-going customer relationships.

27 Cash generated from group operations

	2024 £	2023 £
Profit for the year after tax	2,062,423	9,320,671
Adjustments for:		
Taxation charged	1,139,707	4,442,929
Finance costs	84	5,553
Investment income	(541,658)	(216,788)
Loss/(gain) on disposal of tangible fixed assets	1,703	(5,600)
Depreciation and impairment of tangible fixed assets	362,370	403,316
Increase in provisions	269,596	90,046
Movements in working capital:		
(Increase)/decrease in stocks	(1,052,650)	2,931,206
Decrease in debtors	1,528,986	1,649,433
(Decrease) in creditors	(2,053,789)	(420,268)
Cash generated from operations	1,716,772	18,200,498