

COMPANY REGISTRATION NUMBER 03410368

**HEAVYWEIGHT AIR EXPRESS
LIMITED**

ABBREVIATED ACCOUNTS

30 JUNE 2005



HEAVYWEIGHT AIR EXPRESS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

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HEAVYWEIGHT AIR EXPRESS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Board of directors

C E Chapman Esq
M Sweeney Esq
C White Esq
Ms C A Norman

Company secretary

C White Esq

Registered office

Cargo Terminal 4
East Midlands Airport
Derby
Derbyshire
DE74 2SA

Auditors

Keens Shay Keens -Milton Keynes-
Sovereign Court
230 Upper 5th Street
Central Milton Keynes
MK9 2HR

Bankers

Allied Irish Bank
Nottingham

HEAVYWEIGHT AIR EXPRESS LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of the provision of freight placement services within the aviation industry.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

C E Chapman Esq
M Sweeney Esq
C White Esq
Ms C A Norman

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HEAVYWEIGHT AIR EXPRESS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2005

AUDITORS

A resolution to re-appoint Keens Shay Keens -Milton Keynes- as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Cargo Terminal 4
East Midlands Airport
Derby
Derbyshire
DE74 2SA

Signed by order of the directors



C WHITE ESQ
Company Secretary

Approved by the directors on22/6/06.....

HEAVYWEIGHT AIR EXPRESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 18, together with the financial statements of the company for the year ended 30 June 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 18 are properly prepared in accordance with those provisions.



KEENS SHAY KEENS -MILTON KEYNES-
Chartered Accountants
& Registered Auditors

Sovereign Court
230 Upper 5th Street
Central Milton Keynes
MK9 2HR

23/06/2016

HEAVYWEIGHT AIR EXPRESS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2005

	Note	2005 £	2004 £
GROSS PROFIT		2,976,475	2,594,727
Administrative expenses		<u>(2,389,479)</u>	<u>(2,104,889)</u>
OPERATING PROFIT	2	586,996	489,838
Interest receivable	5	25,219	27,766
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		612,215	517,604
Tax on profit on ordinary activities	6	<u>(249,505)</u>	<u>(160,420)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>362,710</u>	<u>357,184</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 18 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 JUNE 2005

	2005 £	2004 £
Profit for the financial year attributable to the shareholder	362,710	357,184
Unrealised profit on revaluation of certain fixed assets	–	45,000
Total recognised gains and losses relating to the year	362,710	402,184
Prior year adjustment (see note 7)	–	8,000
Total gains and losses recognised since the last annual report	<u>362,710</u>	<u>410,184</u>

The notes on pages 9 to 18 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

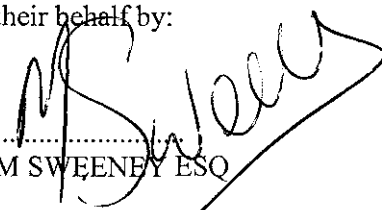
BALANCE SHEET

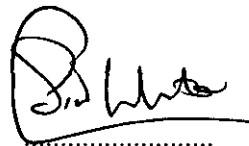
YEAR ENDED 30 JUNE 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	682,559	667,417
Investments	9	29	29
		<u>682,588</u>	<u>667,446</u>
CURRENT ASSETS			
Debtors	10	5,573,713	4,082,631
Cash at bank		442,806	776,892
		<u>6,016,519</u>	<u>4,859,523</u>
CREDITORS: Amounts falling due within one year	11	<u>4,315,917</u>	<u>3,506,489</u>
NET CURRENT ASSETS		<u>1,700,602</u>	<u>1,353,034</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,383,190</u>	<u>2,020,480</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	20,000	20,000
Revaluation reserve		45,000	45,000
Profit and loss account	16	2,318,190	1,955,480
SHAREHOLDER'S FUNDS	17	<u>2,383,190</u>	<u>2,020,480</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 22/6/05 and are signed on their behalf by:


M SWEENEY ESQ


C WHITE ESQ

The notes on pages 9 to 18 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2005

	Note	2005 £	2004 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	18	(258,380)	(187,987)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18	25,219	27,766
TAXATION	18	(49,716)	(98,700)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	18	(51,209)	(38,048)
DECREASE IN CASH	18	<u>(334,086)</u>	<u>(296,969)</u>

The notes on pages 9 to 18 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, subject to the departures referred to below.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Fixtures & Fittings	- 50% straight line
Motor Vehicles	- 50% straight line

Investment properties

In accordance with Statement of Standard Accounting Practice No. 19, certain of the company's properties are held for long-term investment and are included in the Balance Sheet at their open market values. The surpluses or deficits on revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not charged in respect of freehold investment properties.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of owned fixed assets	36,067	77,730
Loss on disposal of fixed assets	—	7,660
Auditors' remuneration		
- as auditors	7,528	7,737
Operating lease costs:		
Other	68,670	114,628
Net profit on foreign currency translation	<u>(1,063)</u>	<u>(891)</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No	No
Number of administrative staff	<u>47</u>	<u>48</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	1,194,370	949,829
Social security costs	140,542	117,764
Other pension costs	25,556	25,207
Pensions paid to former employees	7,805	7,805
	<u>1,368,273</u>	<u>1,100,605</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Aggregate emoluments	179,772	133,000
Value of company pension contributions to defined contribution schemes	7,805	7,805
	<u>187,577</u>	<u>140,805</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

5. INTEREST RECEIVABLE

	2005	2004
	£	£
Bank interest receivable	17,739	19,995
Other interest	7,480	7,771
	<u>25,219</u>	<u>27,766</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	228,675	149,720
Over/under provision in prior year	20,830	10,700
Total current tax	<u>249,505</u>	<u>160,420</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>612,215</u>	<u>517,604</u>
Profit/(loss) on ordinary activities by rate of tax	183,665	155,281
Depreciation in excess/(less than) capital allowances	2,214	19,264
Disallowed and restricted expenses	42,796	27,953
Group relief (claimed)/surrendered	-	(52,778)
Under provision in previous year	20,830	10,700
Total current tax (note 6(a))	<u>249,505</u>	<u>160,420</u>

7. PRIOR YEAR ADJUSTMENT

During the year ended 30 June 2003, an adjustment of £8,000 to depreciation was made in relation to an incorrect accounting treatment of investment property.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 July 2004	652,771	275,641	–	928,412
Additions	–	26,209	25,000	51,209
At 30 June 2005	<u>652,771</u>	<u>301,850</u>	<u>25,000</u>	<u>979,621</u>
DEPRECIATION				
At 1 July 2004	12,751	248,244	–	260,995
Charge for the year	266	27,468	8,333	36,067
At 30 June 2005	<u>13,017</u>	<u>275,712</u>	<u>8,333</u>	<u>297,062</u>
NET BOOK VALUE				
At 30 June 2005	<u>639,754</u>	<u>26,138</u>	<u>16,667</u>	<u>682,559</u>
At 30 June 2004	<u>640,020</u>	<u>27,397</u>	<u>–</u>	<u>667,417</u>

Included in the net book value of £682,559 (2004 - £667,417) is £395,020 (2004 - £395,020) of freehold investment property held in trust by the Westbush Group Limited Employee Trust.

The property at The Old Chapel, Belton was revalued to £245,000 on 5 May 2004 by Freeman & Mitchell, Nottingham. The original cost was £200,000.

9. INVESTMENTS

Fixed asset investments

	£
COST	
At 1 July 2004 and 30 June 2005	<u>29</u>
NET BOOK VALUE	
At 30 June 2005	<u>29</u>
At 30 June 2004	<u>29</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

9. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the companies listed below:

Aggregate capital and reserves

Heavyweight Air Express Limited (Inc. Ireland)	—	406,051
Ikon.com Limited	1	1
Belfast Airport Handling Limited	(17,728)	23,867

Profit and (loss) for the year

Heavyweight Air Express Limited (Inc Ireland)	—	90,818
Ikon.com Limited	—	—
Belfast Airport Handling Limited	(41,595)	281,423

The company owns 26% of the share capital of Cargo Link Distribution Services Limited, a company incorporated in England.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

10. DEBTORS

	2005 £	2004 £
Trade debtors	2,869,130	2,053,114
Amounts owed by group undertakings	1,141,815	976,757
Other debtors	1,381,525	972,474
Prepayments and accrued income	181,243	80,286
	<u>5,573,713</u>	<u>4,082,631</u>

Included in other debtors is an amount of £490,000 (2004 - £490,000) held in trust by the Westbush Group Limited Employee Trust as loans to beneficiaries of that trust.

11. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	2,972,419	2,536,614
Amounts owed to group undertakings	255,232	435,148
Corporation tax	349,509	149,720
PAYE and social security	37,051	31,563
VAT	384,787	273,811
Other creditors	128,188	11,167
Accruals and deferred income	188,731	68,466
	<u>4,315,917</u>	<u>3,506,489</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

12. PENSIONS

The company paid a total of £33,361 (2004: £33,012) into a defined contribution pension scheme.

13. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	22,574	-	23,486
Within 2 to 5 years	38,000	16,620	-	8,792
After more than 5 years	174,000	-	162,000	-
	<u>212,000</u>	<u>39,194</u>	<u>162,000</u>	<u>32,278</u>

On 1 February 2006 a 15 year lease was agreed for a new property at Unit 3, Cygnus Court, Pegasus Business Park, Castle Donington, Leicestershire. The rents payable are £69,000, per annum.

14. RELATED PARTY TRANSACTIONS

The company has entered into transactions in the normal course of business with members of the Westbush Limited group. These transactions, have been executed at arms length. Details of other related party transactions occurring during the year are as follows:

Name of related party	Nature of relationship	Transaction Details	Amount £	Balance £
Chapman Freeborn Airmarketing Limited	See below	Sales Purchases	850 110,000	999 (29,568)
Chapman Freeborn Airchartering Limited	See below	Purchases	-	(13,564)
Eleven Consultancy Limited	See below	Purchases	240,000	(240,000)

C E Chapman Esq and Ms C A Norman are directors of the company and Chapman Freeborn Airmarketing Limited and Chapman Freeborn Airchartering Limited.

M Timpson Esq is sole director and shareholder of Eleven Consultancy Limited and MPT & Associates Limited.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

15. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

16. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
Balance brought forward as previously reported	1,955,480	1,590,296
Prior year adjustment (note 7)	—	8,000
Balance brought forward restated	<u>1,955,480</u>	<u>1,598,296</u>
Retained profit for the financial year	<u>362,710</u>	<u>357,184</u>
Balance carried forward	<u>2,318,190</u>	<u>1,955,480</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2005		2004	
	£	£	£	£
Profit for the financial year		362,710		357,184
Other net recognised gains and losses		45,000		45,000
Net addition to shareholder's equity funds		<u>407,710</u>		<u>402,184</u>
Opening shareholder's equity funds	1,975,480		1,610,296	
Prior year adjustment (see note 7)	—		8,000	
		<u>1,975,480</u>		<u>1,618,296</u>
Closing shareholder's equity funds		<u>2,383,190</u>		<u>2,020,480</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

18. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating profit	586,996	489,838
Depreciation	36,067	77,730
Loss on disposal of fixed assets	—	7,660
Increase in debtors	(1,491,082)	(788,860)
Increase in creditors	609,639	25,645
Net cash outflow from operating activities	<u>(258,380)</u>	<u>(187,987)</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2005	2004
	£	£
Interest received	<u>25,219</u>	<u>27,766</u>
Net cash inflow from returns on investments and servicing of finance	<u>25,219</u>	<u>27,766</u>

TAXATION

	2005	2004
	£	£
TAXATION	<u>(49,716)</u>	<u>(98,700)</u>

CAPITAL EXPENDITURE

	2005	2004
	£	£
Payments to acquire tangible fixed assets	<u>(51,209)</u>	<u>(38,048)</u>
Net cash outflow from capital expenditure	<u>(51,209)</u>	<u>(38,048)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005	2004
	£	£
Decrease in cash in the period	<u>(334,086)</u>	<u>(296,969)</u>
Movement in net funds in the period	<u>(334,086)</u>	<u>(296,969)</u>
Net funds at 1 July 2004	<u>776,892</u>	<u>1,073,861</u>
Net funds at 30 June 2005	<u>442,806</u>	<u>776,892</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2005

18. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2004 £	Cash flows £	At 30 Jun 2005 £
Net cash:			
Cash in hand and at bank	<u>776,892</u>	<u>(334,086)</u>	<u>442,806</u>
Net funds	<u>776,892</u>	<u>(334,086)</u>	<u>442,806</u>

19. ULTIMATE PARENT COMPANY

The Company was under the control of the ultimate parent company, Westbush Limited, a company registered in England and Wales. The shareholdings in Westbush Limited are such that no single shareholder has overall control.