

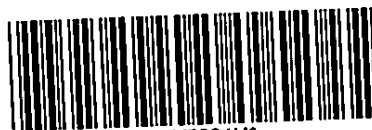
COMPANY REGISTRATION NUMBER 03410368

HEAVYWEIGHT AIR EXPRESS LIMITED

ABBREVIATED ACCOUNTS

30 JUNE 2008

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COMPANIES HOUSE

HEAVYWEIGHT AIR EXPRESS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

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HEAVYWEIGHT AIR EXPRESS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M Sweeney Esq
C White Esq
R Thackeray Esq
C F Neat Esq

Company secretary

C White Esq

Registered office

3 Cygnus Court
Beverley Road
East Midlands Airport
Derbyshire
DE74 2SA

Auditor

Keens Shay Keens MK
Chartered Accountants
& Registered Auditors
Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

Bankers

Allied Irish Bank
Nottingham

Solicitors

Berryman Shacklock
Nottingham

HEAVYWEIGHT AIR EXPRESS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2008.

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 profit for the year, after taxation, amounted to £1,013,507. Particulars of dividends paid are detailed in note 9 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) the financial risk management objectives and policies of the company including the policy for hedging each major type of forecasted transaction for which hedge accounting is used; and

b) the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk;

unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

DIRECTORS

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

M Sweeney Esq
C White Esq
R Thackeray Esq
C F Neat Esq

R Thackeray Esq was appointed as a director on 1 July 2007.

C F Neat Esq was appointed as a director on 1 July 2007.

DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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

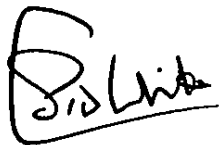
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2008

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the directors



C WHITE ESQ
Company Secretary

Approved by the directors on 30/01/2009

HEAVYWEIGHT AIR EXPRESS LIMITED
INDEPENDENT AUDITOR'S REPORT TO HEAVYWEIGHT AIR
EXPRESS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of Heavyweight Air Express Limited for the year ended 30 June 2008 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 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

14/4/2009



KEENS SHAY KEENS MK
Chartered Accountants
& Registered Auditors

HEAVYWEIGHT AIR EXPRESS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2008

| | Note | 2008 £ | 2007 £ |
|--|----------|--------------------|--------------------|
| GROSS PROFIT | | 4,669,267 | 4,273,491 |
| Administrative expenses | | (3,321,980) | (2,953,233) |
| OPERATING PROFIT | 2 | 1,347,287 | 1,320,258 |
| Interest receivable | 5 | 6,602 | 9,763 |
| Amounts written off investments | 6 | - | (177,189) |
| Interest payable and similar charges | 7 | (8,100) | (2,261) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,345,789 | 1,150,571 |
| Tax on profit on ordinary activities | 8 | (332,282) | (363,110) |
| PROFIT FOR THE FINANCIAL YEAR | | 1,013,507 | 787,461 |

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

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 17 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

ABBREVIATED BALANCE SHEET

30 JUNE 2008

| | Note | 2008 £ | £ | 2007 £ | £ |
|---|------|------------------|----------------|------------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 708,488 | | 797,831 |
| Investments | 11 | | 48,427 | | 29 |
| | | | <u>756,915</u> | | <u>797,860</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 6,427,720 | | 4,283,972 | |
| Cash at bank | | 181,240 | | 203,769 | |
| | | <u>6,608,960</u> | | <u>4,487,741</u> | |
| CREDITORS: Amounts falling due within one year | 13 | <u>6,607,594</u> | | <u>4,290,827</u> | |
| NET CURRENT ASSETS | | | <u>1,366</u> | | <u>196,914</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>758,281</u> | | <u>994,774</u> |
| PROVISIONS FOR LIABILITIES | | | | | |
| Deferred taxation | 15 | | <u>1,801</u> | | <u>1,801</u> |
| | | | <u>756,480</u> | | <u>992,973</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 19 | | 20,000 | | 20,000 |
| Revaluation reserve | | | 45,000 | | 45,000 |
| Profit and loss account | 20 | | <u>691,480</u> | | <u>927,973</u> |
| SHAREHOLDER'S FUNDS | 21 | | <u>756,480</u> | | <u>992,973</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 and authorised for issue on 30/01/2009, and are signed on their behalf by:


M SWEENEY ESQ


C WHITE ESQ

The notes on pages 8 to 17 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 JUNE 2008**

| | Note | 2008 £ | 2007 £ |
|---|------|------------------|------------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 22 | 1,952,607 | 2,450,489 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 22 | (1,498) | 7,502 |
| TAXATION | 22 | (748,151) | (289,476) |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | 22 | (78,763) | (147,094) |
| ACQUISITIONS AND DISPOSALS | 22 | (48,398) | - |
| EQUITY DIVIDENDS PAID | | (1,250,000) | (2,150,000) |
| CASH OUTFLOW BEFORE FINANCING | | <u>(174,203)</u> | <u>(128,579)</u> |
| FINANCING | 22 | - | (177,188) |
| DECREASE IN CASH | 22 | <u>(174,203)</u> | <u>(305,767)</u> |

The notes on pages 8 to 17 form part of these abbreviated accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

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 |
| Leasehold Property | - 50% 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 2008

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

| | 2008 | 2007 |
|---|----------------|---------------|
| | £ | £ |
| Depreciation of owned fixed assets | 167,507 | 148,538 |
| Loss/(Profit) on disposal of fixed assets | 599 | (1,425) |
| Auditor's remuneration | | |
| - as auditor | 9,139 | 6,000 |
| Operating lease costs: | | |
| Other | 77,603 | 67,828 |
| Net loss on foreign currency translation | <u>107,059</u> | <u>16,155</u> |

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

3. PARTICULARS OF EMPLOYEES

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

| | 2008 No | 2007 No |
|--------------------------------|------------|------------|
| Number of administrative staff | 66 | 61 |
| Number of management staff | 3 | 3 |
| | <u>69</u> | <u>64</u> |

The aggregate payroll costs of the above were:

| | 2008 £ | 2007 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,750,492 | 1,233,912 |
| Social security costs | 188,676 | 189,557 |
| Other pension costs | 43,067 | 34,339 |
| | <u>1,982,235</u> | <u>1,457,808</u> |

4. DIRECTORS' EMOLUMENTS

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

| | 2008 £ | 2007 £ |
|----------------------|----------------|----------------|
| Aggregate emoluments | <u>751,020</u> | <u>220,668</u> |

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

| | 2008 No | 2007 No |
|------------------------|------------|------------|
| Money purchase schemes | <u>3</u> | <u>3</u> |

5. INTEREST RECEIVABLE

| | 2008 £ | 2007 £ |
|--------------------------|--------------|--------------|
| Bank interest receivable | 6,602 | 5,004 |
| Other interest | - | 4,759 |
| | <u>6,602</u> | <u>9,763</u> |

6. AMOUNTS WRITTEN OFF INVESTMENTS

| | 2008 £ | 2007 £ |
|--------------------------------|-----------|----------------|
| Amount written off investments | <u>-</u> | <u>177,189</u> |

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2008 £ | 2007 £ |
|------------------------------------|--------------|--------------|
| Interest payable on bank borrowing | 8,100 | - |
| Other similar charges payable | - | 2,261 |
| | <u>8,100</u> | <u>2,261</u> |

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2008 £ | 2007 £ |
|--|----------------|----------------|
| Current tax: | | |
| UK Corporation tax based on the results for the year at 30% (2007 - 30%) | 332,282 | 358,567 |
| Over/under provision in prior year | - | 4,543 |
| Total current tax | <u>332,282</u> | <u>363,110</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2007 - 30%).

| | 2008 £ | 2007 £ |
|---|------------------|------------------|
| Profit on ordinary activities before taxation | <u>1,345,789</u> | <u>1,150,571</u> |
| Profit on ordinary activities by rate of tax | 403,737 | 345,171 |
| Depreciation in excess/(less than) capital allowances | 25,631 | 21,646 |
| Disallowed and restricted expenses | 36,922 | 34,095 |
| Group relief (claimed)/surrendered | (128,407) | (41,917) |
| Profit on sale of assets | - | (428) |
| Under provision in previous year | - | 4,543 |
| Change in tax rate to 28% | (5,601) | - |
| Total current tax (note 8(a)) | <u>332,282</u> | <u>363,110</u> |

9. DIVIDENDS

Equity dividends

| | 2008 £ | 2007 £ |
|-------------------------------------|------------------|------------------|
| Paid | | |
| Equity dividends on ordinary shares | <u>1,250,000</u> | <u>2,150,000</u> |

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

10. TANGIBLE FIXED ASSETS

| | Freehold & Leasehold Property £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|--------------------------|--|-----------------------------|------------------------|------------------|
| COST OR VALUATION | | | | |
| At 1 July 2007 | 678,220 | 571,893 | 25,000 | 1,275,113 |
| Additions | – | 78,763 | – | 78,763 |
| Disposals | – | (55,448) | – | (55,448) |
| At 30 June 2008 | 678,220 | 595,208 | 25,000 | 1,298,428 |
| DEPRECIATION | | | | |
| At 1 July 2007 | 18,662 | 433,620 | 25,000 | 477,282 |
| Charge for the year | 19,100 | 148,407 | – | 167,507 |
| On disposals | – | (54,849) | – | (54,849) |
| At 30 June 2008 | 37,762 | 527,178 | 25,000 | 589,940 |
| NET BOOK VALUE | | | | |
| At 30 June 2008 | 640,458 | 68,030 | – | 708,488 |
| At 30 June 2007 | 659,558 | 138,273 | – | 797,831 |

Included in the net book value of £704,455 (2007 : £797,831) is £395,020 (2007 : £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.

11. INVESTMENTS

Fixed asset investments

| | £ |
|------------------------|---------------|
| COST | |
| At 1 July 2007 | 29 |
| Additions | 48,398 |
| At 30 June 2008 | 48,427 |
| NET BOOK VALUE | |
| At 30 June 2008 | 48,427 |
| At 30 June 2007 | 29 |

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

11. 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) | - | 1,013,292 |
| Ikon.com Limited | (2,847) | (1,298) |
| Belfast Airport Handling Limited | (81,312) | 43,743 |

Profit and (loss) for the year

| | | |
|--|-----------|---------|
| Heavyweight Air Express Limited (Inc Ireland) | - | 114,294 |
| Ikon.com Limited | (1,551) | (278) |
| Belfast Airport Handling Limited | (125,056) | 62,969 |

The company also owns 26% of the share capital of Trucklink.EU 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.

12. DEBTORS

| | 2008 £ | 2007 £ |
|---|------------------|------------------|
| Trade debtors | 2,623,417 | 2,395,490 |
| Amounts owed by group undertakings | 2,354,827 | 961,808 |
| Amounts owed by undertakings in which the company has a participating interest | 163,003 | - |
| Corporation tax repayable | 70,502 | - |
| Other debtors | 870,783 | 704,759 |
| Directors current accounts | 158,148 | 106,734 |
| Prepayments and accrued income | 187,040 | 115,181 |
| | <u>6,427,720</u> | <u>4,283,972</u> |

Included in other debtors is an amount of £490,000 (2007 - £490,000) held in trust by the Westbush Group Limited Employee Trust as loans to beneficiaries of that trust.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

13. CREDITORS: Amounts falling due within one year

| | 2008 | 2007 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Overdrafts | 182,029 | 30,355 |
| Trade creditors | 2,577,882 | 2,285,674 |
| Amounts owed to group undertakings | 1,762,135 | 470,152 |
| Corporation tax | - | 345,367 |
| PAYE and social security | - | 43,756 |
| VAT | 506,335 | 263,730 |
| Other creditors | 1,024,390 | 618,990 |
| Accruals and deferred income | 554,823 | 232,803 |
| | <u>6,607,594</u> | <u>4,290,827</u> |

14. PENSIONS

The company paid a total of £43,067 (2007: £34,339) into a defined contribution pension scheme.

15. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £1,801.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

| | 2008 | 2007 |
|---|--------------|--------------|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | 1,801 | 1,801 |
| | <u>1,801</u> | <u>1,801</u> |

16. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2008 | | 2007 | |
|--------------------------------|------------------|---------------|------------------|---------------|
| | Land & Buildings | Other Items | Land & Buildings | Other Items |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within 1 year | - | 12,854 | - | 12,854 |
| Within 2 to 5 years | 94,000 | 50,989 | 94,000 | 50,989 |
| After more than 5 years | 69,000 | - | 69,000 | - |
| | <u>163,000</u> | <u>63,843</u> | <u>163,000</u> | <u>63,843</u> |

17. CONTINGENCIES

A contingent liability exists in relation to Corporation Tax. It is not possible to quantify with any accuracy the amount involved at this stage.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

18. RELATED PARTY TRANSACTIONS

The company has entered into transactions in the normal course of business with members of the HAE Group Limited group. These transactions, have been executed at arms length.

19. SHARE CAPITAL

Authorised share capital:

| | 2008 £ | 2007 £ |
|-----------------------------------|---------------|---------------|
| 20,000 Ordinary shares of £1 each | <u>20,000</u> | <u>20,000</u> |

Allotted, called up and fully paid:

| | 2008 No <u>20,000</u> | £ <u>20,000</u> | 2007 No <u>20,000</u> | £ <u>20,000</u> |
|----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| Ordinary shares of £1 each | | | | |

20. PROFIT AND LOSS ACCOUNT

| | 2008 £ | 2007 £ |
|-------------------------------|--------------------|--------------------|
| Balance brought forward | 927,973 | 2,290,512 |
| Profit for the financial year | 1,013,507 | 787,461 |
| Equity dividends | <u>(1,250,000)</u> | <u>(2,150,000)</u> |
| Balance carried forward | <u>691,480</u> | <u>927,973</u> |

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| | 2008 £ | 2007 £ |
|--------------------------------------|--------------------|--------------------|
| Profit for the financial year | 1,013,507 | 787,461 |
| Equity dividends | <u>(1,250,000)</u> | <u>(2,150,000)</u> |
| Net reduction to shareholder's funds | <u>(236,493)</u> | <u>(1,362,539)</u> |
| Opening shareholder's funds | 992,973 | 2,355,512 |
| Closing shareholder's funds | <u>756,480</u> | <u>992,973</u> |

22. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2008 £ | 2007 £ |
|---|--------------------|------------------|
| Operating profit | 1,347,287 | 1,320,258 |
| Depreciation | 167,507 | 148,538 |
| Loss/(Profit) on disposal of fixed assets | 599 | (1,425) |
| (Increase)/decrease in debtors | <u>(2,073,246)</u> | <u>1,511,803</u> |
| Increase/(decrease) in creditors | <u>2,510,460</u> | <u>(528,685)</u> |
| Net cash inflow from operating activities | <u>1,952,607</u> | <u>2,450,489</u> |

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

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

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

| | 2008 £ | 2007 £ |
|--|----------------|----------------|
| Interest received | 6,602 | 9,763 |
| Interest paid | <u>(8,100)</u> | <u>(2,261)</u> |
| Net cash (outflow)/inflow from returns on investments and servicing of finance | <u>(1,498)</u> | <u>7,502</u> |

TAXATION

| | 2008 £ | 2007 £ |
|----------|------------------|------------------|
| Taxation | <u>(748,151)</u> | <u>(289,476)</u> |

CAPITAL EXPENDITURE

| | 2008 £ | 2007 £ |
|---|-----------------|------------------|
| Payments to acquire tangible fixed assets | (78,763) | (148,519) |
| Receipts from sale of fixed assets | <u>—</u> | <u>1,425</u> |
| Net cash outflow from capital expenditure | <u>(78,763)</u> | <u>(147,094)</u> |

ACQUISITIONS AND DISPOSALS

| | 2008 £ | 2007 £ |
|--|-----------------|-----------|
| Acquisition of shares in group undertakings | (48,398) | — |
| Net cash outflow from acquisitions and disposals | <u>(48,398)</u> | <u>—</u> |

FINANCING

| | 2008 £ | 2007 £ |
|---|-----------|------------------|
| Repayment of long-term amounts owed to group undertakings | <u>—</u> | <u>(177,188)</u> |
| Net cash outflow from financing | <u>—</u> | <u>(177,188)</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Decrease in cash in the period | (174,203) | (305,767) |
| Movement in net debt in the period | <u>(174,203)</u> | <u>(305,767)</u> |
| Net funds at 1 July 2007 | 173,414 | 479,182 |
| Net debt at 30 June 2008 | <u>(789)</u> | <u>173,414</u> |

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2008

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

ANALYSIS OF CHANGES IN NET DEBT

| | At 1 Jul 2007 £ | Cash flows £ | At 30 Jun 2008 £ |
|--------------------------|-----------------------|------------------|------------------------|
| Net cash: | | | |
| Cash in hand and at bank | 203,769 | (22,529) | 181,240 |
| Overdrafts | (30,355) | (151,674) | (182,029) |
| | <u>173,414</u> | <u>(174,203)</u> | <u>(789)</u> |
| Net debt | <u>173,414</u> | <u>(174,203)</u> | <u>(789)</u> |

23. ULTIMATE PARENT COMPANY

The company's ultimate parent company was HAE Group Limited, a company registered in England and Wales.