

COMPANY REGISTRATION NUMBER 03410368

HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

30 JUNE 2011

TUESDAY



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HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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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
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 & Statutory Auditor 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 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2011

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 £898,406. The directors have not recommended a dividend.

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

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 company and of the profit or loss of the company for that period. In preparing those 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 2011

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

DONATIONS


During the year the company made the following contributions

	2011 £	2010 £
Charitable	<u>2,995</u>	<u>-</u>
Other	<u>685</u>	<u>-</u>

AUDITOR

Keens Shay Keens MK are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors



C WHITE ESQ
Company Secretary

Approved by the directors on 24 Feb 2012

HEAVYWEIGHT AIR EXPRESS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
HEAVYWEIGHT AIR EXPRESS LIMITED

YEAR ENDED 30 JUNE 2011

We have audited the financial statements of Heavyweight Air Express Limited for the year ended 30 June 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HEAVYWEIGHT AIR EXPRESS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
HEAVYWEIGHT AIR EXPRESS LIMITED (continued)

YEAR ENDED 30 JUNE 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

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

15 March 2012

MARK RAYNER FCA (Senior
Statutory Auditor)
For and on behalf of
KEENS SHAY KEENS MK
Chartered Accountants
& Statutory Auditor

HEAVYWEIGHT AIR EXPRESS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2011

	Note	2011 £	2010 £
TURNOVER	2	15,223,369	13,997,161
Cost of sales		(10,849,774)	(10,295,434)
GROSS PROFIT		4,373,595	3,701,727
Administrative expenses		(3,260,875)	(4,077,998)
Other operating income	3	16,150	390,309
OPERATING PROFIT	4	1,128,870	14,038
Income from shares in group undertakings	7	–	742,716
Interest receivable	8	20,923	22,648
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,149,793	779,402
Tax on profit on ordinary activities	9	(251,387)	(103,155)
PROFIT FOR THE FINANCIAL YEAR		898,406	676,247

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 9 to 18 form part of these financial statements.

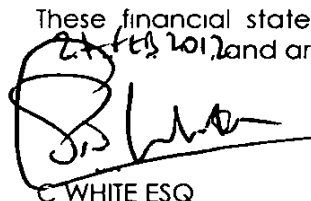
HEAVYWEIGHT AIR EXPRESS LIMITED

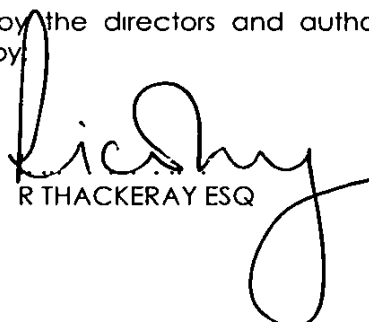
BALANCE SHEET

30 JUNE 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	10	974,727	933,349
Investments	11	622,304	622,304
		<u>1,597,031</u>	<u>1,555,653</u>
CURRENT ASSETS			
Debtors	12	8,990,720	8,786,617
Cash at bank		38,315	334,588
		<u>9,029,035</u>	<u>9,121,205</u>
CREDITORS: Amounts falling due within one year	13	<u>7,104,389</u>	<u>7,999,274</u>
NET CURRENT ASSETS		<u>1,924,646</u>	<u>1,121,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,521,677</u>	<u>2,677,584</u>
CREDITORS: Amounts falling due after more than one year	14	43,787	98,100
PROVISIONS FOR LIABILITIES			
Deferred taxation	16	39,148	39,148
		<u>3,438,742</u>	<u>2,540,336</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	3,373,742	2,475,336
SHAREHOLDER'S FUNDS	21	<u>3,438,742</u>	<u>2,540,336</u>

These financial statements were approved by the directors and authorised for issue on 27 Feb 2012 and are signed on their behalf by


C WHITE ESQ


R THACKERAY ESQ

Company Registration Number 03410368

The notes on pages 9 to 18 form part of these financial statements.

HEAVYWEIGHT AIR EXPRESS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2011

	Note	2011 £	£	2010 £	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	22		(6,011)		289,990
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22		20,923		765,364
TAXATION	22		(125,577)		(161,484)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22		(131,295)		(303,724)
ACQUISITIONS AND DISPOSALS	22		—		(392,423)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(241,960)		197,723
FINANCING	22		(54,313)		98,100
(DECREASE)/INCREASE IN CASH	22		<u>(296,273)</u>		<u>295,823</u>

The notes on pages 9 to 18 form part of these financial statements.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated 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
Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% reducing balance

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 FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3. OTHER OPERATING INCOME

	2011	2010
	£	£
Rent receivable	6,172	6,469
Management charges receivable	9,978	380,435
Other operating income	—	3,405
	<u>16,150</u>	<u>390,309</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of owned fixed assets	89,917	50,351
Auditor's remuneration		
- as auditor	7,988	12,000
Operating lease costs		
- Other	68,240	77,005
Net (profit)/loss on foreign currency translation	<u>(64,934)</u>	<u>69,071</u>

5. PARTICULARS OF EMPLOYEES

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

	2011 No	2010 No
Number of administrative staff	60	67
Number of management staff	3	3
	<u>63</u>	<u>70</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	1,541,399	2,251,252
Social security costs	154,767	219,125
Other pension costs	37,360	43,762
	<u>1,733,526</u>	<u>2,514,139</u>

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Aggregate remuneration	<u>526,350</u>	<u>938,761</u>

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

	2011 No	2010 No
Money purchase schemes	<u>3</u>	<u>3</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

7 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2011 £	2010 £
Income from group undertakings	<u>-</u>	<u>742,716</u>

8. INTEREST RECEIVABLE

	2011 £	2010 £
Bank interest receivable	<u>20,923</u>	<u>22,648</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2010 - 21%)	219,340	5,250
Over/under provision in prior year	<u>32,047</u>	<u>(52,095)</u>
	251,387	(46,845)
Taxation settlement	-	<u>150,000</u>
Total current tax	<u>251,387</u>	<u>103,155</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 28% (2010 - 21%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>1,149,793</u>	<u>779,402</u>
Profit on ordinary activities by rate of tax	321,942	163,674
Depreciation in excess/(less than) capital allowances	2,151	(10,650)
Disallowed and restricted expenses	19,895	32,258
Group relief (claimed)/surrendered	<u>(116,369)</u>	<u>(24,062)</u>
Non taxable income	-	(155,970)
Prior year adjustment	32,047	(52,095)
Change in tax rate to 26%	<u>(8,279)</u>	-
Taxation settlement	-	<u>150,000</u>
Total current tax (note 9(a))	<u>251,387</u>	<u>103,155</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

10. TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 July 2010	900,246	688,243	48,475	1,636,964
Additions	36,020	63,295	31,980	131,295
At 30 June 2011	936,266	751,538	80,455	1,768,259
DEPRECIATION				
At 1 July 2010	38,466	631,902	33,247	703,615
Charge for the year	–	62,715	27,202	89,917
At 30 June 2011	38,466	694,617	60,449	793,532
NET BOOK VALUE				
At 30 June 2011	897,800	56,921	20,006	974,727
At 30 June 2010	861,780	56,341	15,228	933,349

Included in the net book value of £897,800 (2010 £861,780) is £652,800 (2010 £616,780) of freehold investment property held in trust by the Westbush Group Limited Employee Trust

The property at The Old Chapel, Belton was valued at £220,000 on 22 September 2010 by The CSG Group, Nottingham. The original cost was £200,000, which was revalued to £245,000 in 2004. The Directors are of the opinion that the value shown within the accounts is not materially different from the open market value.

11. INVESTMENTS

Fixed asset investments

	£	£	£
COST			
At 1 July 2010 and 30 June 2011	387,488	234,816	622,304
NET BOOK VALUE			
At 30 June 2011 and 30 June 2010	387,488	234,816	622,304

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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)	-	1,392,552
Ikon com Limited	-	-
Belfast Airport Handling Limited	-	-

Profit and (loss) for the year

Heavyweight Air Express Limited (Inc Ireland)	-	(132,314)
Ikon com Limited	-	-
Belfast Airport Handling Limited	-	-

The company also owns 50% of the share capital of HAE Hong Kong Limited, a company incorporated in Hong Kong, and 50% of Heavyweight Air Express FZCO, a company incorporated in Dubai and 24.5% of the share capital of Trucklink EU Limited, a company incorporated in England

Under the provision of section 399 of the Companies Act 2006 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

	2011 £	2010 £
Trade debtors	1,973,940	1,746,970
Amounts owed by group undertakings	4,161,443	4,783,118
Amounts owed by undertakings in which the company has a participating interest	949,154	285,745
Loans from EBT	815,000	815,000
Other debtors	304,594	381,715
Directors current accounts	540,876	583,243
Prepayments and accrued income	245,713	190,826
	<u>8,990,720</u>	<u>8,786,617</u>

Included in the above is an amount of £815,000 (2009 - £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 FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

13 CREDITORS. Amounts falling due within one year

	2011 £	2010 £
Trade creditors	2,603,156	2,333,485
Amounts owed to group undertakings	3,272,852	3,794,480
Amounts owed to undertakings in which the company has a participating interest	283,475	141,774
Corporation tax	181,849	56,039
PAYE and social security	49,146	58,642
VAT	375,027	242,438
Other creditors	175,291	876,629
Accruals and deferred income	163,593	495,787
	<u>7,104,389</u>	<u>7,999,274</u>

14. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Other creditors	<u>43,787</u>	<u>98,100</u>

15. PENSIONS

The company paid a total of £37,360 (2010 £43,762) into a defined contribution pension scheme

16. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £39,148

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

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	39,148	39,148
	<u>39,148</u>	<u>39,148</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	26,486	-	26,486
Within 2 to 5 years	4,667	44,867	94,000	44,867
After more than 5 years	105,000	-	69,000	-
	<u>109,667</u>	<u>71,353</u>	<u>163,000</u>	<u>71,353</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

18 RELATED PARTY TRANSACTIONS

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

19. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

20. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
Balance brought forward	2,475,336	1,799,089
Profit for the financial year	<u>898,406</u>	<u>676,247</u>
Balance carried forward	<u>3,373,742</u>	<u>2,475,336</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Profit for the financial year	898,406	676,247
Opening shareholder's funds	<u>2,540,336</u>	<u>1,864,089</u>
Closing shareholder's funds	<u>3,438,742</u>	<u>2,540,336</u>

22. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	1,128,870	14,038
Depreciation	89,917	50,351
Increase in debtors	(204,103)	(3,113,397)
(Decrease)/increase in creditors	<u>(1,020,695)</u>	<u>3,338,998</u>
Net cash (outflow)/inflow from operating activities	<u>(6,011)</u>	<u>289,990</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

22. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £	2010 £
Income from group undertakings	-	742,716
Interest received	<u>20,923</u>	<u>22,648</u>
Net cash inflow from returns on investments and servicing of finance	<u>20,923</u>	<u>765,364</u>

TAXATION

	2011 £	2010 £
Taxation	<u>(125,577)</u>	<u>(161,484)</u>

CAPITAL EXPENDITURE

	2011 £	2010 £
Payments to acquire tangible fixed assets	<u>(131,295)</u>	<u>(303,724)</u>
Net cash outflow from capital expenditure	<u>(131,295)</u>	<u>(303,724)</u>

ACQUISITIONS AND DISPOSALS

	2011 £	2010 £
Acquisition of shares in group undertakings	-	(207,017)
Acquire investments in participating interests	-	<u>(185,406)</u>
Net cash outflow from acquisitions and disposals	<u>-</u>	<u>(392,423)</u>

FINANCING

	2011 £	2010 £
Net (outflow)/inflow from other long-term creditors	<u>(54,313)</u>	<u>98,100</u>
Net cash (outflow)/inflow from financing	<u>(54,313)</u>	<u>98,100</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

22. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011		2010	
	£	£	£	£
(Decrease)/increase in cash in the period	(296,273)		295,823	
Net cash outflow from/(inflow) from other long-term creditors	<u>54,313</u>		<u>(98,100)</u>	
		(241,960)		197,723
Change in net debt		(241,960)		197,723
Net funds at 1 July 2010		<u>236,488</u>		<u>38,765</u>
Net debt at 30 June 2011		<u>(5,472)</u>		<u>236,488</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jul 2010 £	Cash flows £	At 30 Jun 2011 £
Net cash			
Cash in hand and at bank	<u>334,588</u>	<u>(296,273)</u>	<u>38,315</u>
Debt			
Debt due after 1 year	<u>(98,100)</u>	<u>54,313</u>	<u>(43,787)</u>
Net debt	<u>236,488</u>	<u>(241,960)</u>	<u>(5,472)</u>

23. ULTIMATE PARENT COMPANY

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

HEAVYWEIGHT AIR EXPRESS LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 30 JUNE 2011

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

HEAVYWEIGHT AIR EXPRESS LIMITED**DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 2011**

	2011	2010
	£	£
TURNOVER	15,223,369	13,997,161
COST OF SALES		
Purchases	(10,209,377)	(9,803,844)
Carriage inwards and import duty	<u>(640,397)</u>	<u>(491,590)</u>
	(10,849,774)	(10,295,434)
GROSS PROFIT	4,373,595	3,701,727
OVERHEADS		
Administrative expenses	(3,260,875)	(4,077,998)
	1,112,720	(376,271)
OTHER OPERATING INCOME	16,150	390,309
OPERATING PROFIT	1,128,870	14,038
Income from shares in group companies	-	742,716
Bank interest receivable	20,923	22,648
PROFIT ON ORDINARY ACTIVITIES	<u>1,149,793</u>	<u>779,402</u>

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2011

	2011		2010	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	493,605		891,882	
Directors national insurance contributions	44,340		70,703	
Wages and salaries	1,047,794		1,359,370	
Staff national insurance	110,427		148,422	
Staff pension contributions	37,360		43,762	
		1,733,526		2,514,139
Establishment expenses				
Rent, rates and water	191,874		219,369	
Light and heat	21,313		18,230	
Insurance	92,130		105,661	
Repairs and maintenance	70,320		87,249	
Cleaning of premises	19,658		21,220	
		395,295		451,729
General expenses				
Motor expenses	20,250		28,782	
Travel and subsistence	106,765		124,345	
Vehicle leasing charges	68,240		77,005	
Telephone	107,001		128,411	
Computer running costs	47,210		5,993	
Printing, stationery and postage	71,361		74,133	
Staff training	5,522		7,656	
Staff welfare	9,341		14,639	
Sundry expenses	5,548		6,054	
Donations	3,680		1,000	
Advertising	44,014		61,026	
Entertaining	64,775		112,590	
Management charges payable	360,000		90,000	
Legal and professional fees	120,452		112,390	
Accountancy fees	19,600		33,736	
Auditors remuneration	7,988		12,000	
Depreciation of fixtures and fittings	62,715		42,629	
Depreciation of motor vehicles	27,202		7,722	
		1,151,664		940,111
Financial costs				
Bad debts written off	1,137		52,711	
Factoring charges	25,527		37,822	
Bank charges	18,660		12,415	
Foreign currency gains/losses	(64,934)		69,071	
		(19,610)		172,019
		<u>3,260,875</u>		<u>4,077,998</u>

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2011

	2011 £	2010 £
OTHER OPERATING INCOME		
Rent receivable	6,172	6,469
Management charges receivable	9,978	380,435
Other operating income	—	3,405
	<u>16,150</u>	<u>390,309</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>20,923</u>	<u>22,648</u>