

HEAVYWEIGHT AIR EXPRESS LIMITED
FINANCIAL STATEMENTS
30 JUNE 2012



HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

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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

Lloyds TSB Bank Plc

Solicitors

Shakespeares
Nottingham

HEAVYWEIGHT AIR EXPRESS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2012

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

Both the level of business and the year end financial performance in the UK were as expected in light of the current difficult trading conditions

Key Performance Indicators

HAE monitors a number of key performance indicators (KPI's) to help achieve key business objectives as follows

	2012	2011
	£	£
Total bookings	34,567	31,731
Total tonnage	25,567	20,102

FUTURE DEVELOPMENTS

Business activity has been maintained in the first half of the 2012/13 financial year but there is still significant pressure on margins

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £852,701. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Principal risks and uncertainties

The management of the business and the execution of the company's strategy is subject to a number of risks. These risks are formally reviewed by the Board at every Board Meeting. The Key non-financial risks identified are as follows.

Business risk

The main risks identified are changes in the global economy and the risk of inadequate financing facilities. To mitigate these risks the Board undertakes monthly reviews of the individual entities results versus budget and ensures that the resource level in each entity is appropriate for that entity's level of business. The company is confident that it has sufficient headroom in its financing available to fund the business in the medium term.

Airline risk

The company faces a risk that certain airlines may fail due to the current economic climate and that it will not renew certain airline contracts as they fall due. To mitigate these risks the Board ensures that the company has a balanced portfolio of airlines and is also constantly tendering for new airlines as contract renewals fall due.

People risk

The main risks identified is that of losing key staff and the risk of a serious security breach occurring. To mitigate these risks the company tries to ensure that all staff are subject to continual training.

HEAVYWEIGHT AIR EXPRESS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2012

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 year.

In preparing those 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,
- 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.

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.

HEAVYWEIGHT AIR EXPRESS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2012

DONATIONS

During the year the company made the following contributions

	2012	2011
	£	£
Charitable	<u>1,737</u>	<u>2,995</u>
Other	<u>-</u>	<u>685</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 24/02/2013

HEAVYWEIGHT AIR EXPRESS LIMITED

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

YEAR ENDED 30 JUNE 2012

We have audited the financial statements of Heavyweight Air Express Limited for the year ended 30 June 2012. 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 3 to 4, 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 , 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 2012 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 2012

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

28/03/2013

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 2012**

	Note	2012 £	2011 £
TURNOVER	2	18,594,620	15,223,369
Cost of sales		(14,746,912)	(12,145,627)
GROSS PROFIT		3,847,708	3,077,742
Administrative expenses		(2,735,630)	(1,965,022)
Other operating income	3	12,638	16,150
OPERATING PROFIT	4	1,124,716	1,128,870
Interest receivable	7	23,411	20,923
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,148,127	1,149,793
Tax on profit on ordinary activities	8	(295,426)	(251,387)
PROFIT FOR THE FINANCIAL YEAR		852,701	898,406

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 10 to 19 form part of these financial statements.

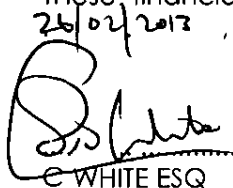
HEAVYWEIGHT AIR EXPRESS LIMITED

BALANCE SHEET

30 JUNE 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	9		987,816		974,727
Investments	10		626,404		622,304
			<u>1,614,220</u>		<u>1,597,031</u>
CURRENT ASSETS					
Debtors	11	9,022,962		8,990,720	
Cash at bank		<u>274,491</u>		<u>38,315</u>	
		9,297,453		9,029,035	
CREDITORS: Amounts falling due within one year	12	<u>6,577,850</u>		<u>7,104,389</u>	
NET CURRENT ASSETS			<u>2,719,603</u>		<u>1,924,646</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,333,823</u>		<u>3,521,677</u>
CREDITORS: Amounts falling due after more than one year	13		3,232		43,787
PROVISIONS FOR LIABILITIES					
Deferred taxation	15		<u>39,148</u>		<u>39,148</u>
			<u>4,291,443</u>		<u>3,438,742</u>
CAPITAL AND RESERVES					
Called-up equity share capital	18		20,000		20,000
Revaluation reserve			45,000		45,000
Profit and loss account	19		<u>4,226,443</u>		<u>3,373,742</u>
SHAREHOLDER'S FUNDS	20		<u>4,291,443</u>		<u>3,438,742</u>

These financial statements were approved by the directors and authorised for issue on 26/07/2012, and are signed on their behalf by


C WHITE ESQ


R THACKERAY ESQ

Company Registration Number 03410368

The notes on pages 10 to 19 form part of these financial statements.

HEAVYWEIGHT AIR EXPRESS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 JUNE 2012**

	Note	2012 £	£	2011 £	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21		768,950		(6,011)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21		23,411		20,923
TAXATION	21		(415,407)		(125,577)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21		(96,123)		(131,295)
ACQUISITIONS AND DISPOSALS	21		(4,100)		—
			<hr/>		<hr/>
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			276,731		(241,960)
FINANCING	21		(40,555)		(54,313)
			<hr/>		<hr/>
INCREASE/(DECREASE) IN CASH	21		<u>236,176</u>		<u>(296,273)</u>

The notes on pages 10 to 19 form part of these financial statements

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

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 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 FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

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

	2012	2011
	£	£
Rent receivable	6,638	6,172
Management charges receivable	6,000	9,978
	<u>12,638</u>	<u>16,150</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of owned fixed assets	91,082	89,917
Profit on disposal of fixed assets	(8,048)	-
Auditor's remuneration		
- as auditor	16,335	7,988
Operating lease costs		
- Other	62,802	68,240
Net loss/(profit) on foreign currency translation	<u>18,034</u>	<u>(64,934)</u>

5. PARTICULARS OF EMPLOYEES

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

	2012 No	2011 No
Number of administrative staff	60	60
Number of management staff	3	3
	<u>63</u>	<u>63</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	1,409,265	1,541,399
Social security costs	149,967	154,766
Other pension costs	31,880	37,360
	<u>1,591,112</u>	<u>1,733,525</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Aggregate remuneration	<u>207,020</u>	<u>526,350</u>

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

	2012 No	2011 No
Money purchase schemes	<u>2</u>	<u>3</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

7. INTEREST RECEIVABLE

	2012 £	2011 £
Bank interest receivable	<u>23,411</u>	<u>20,923</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 24% (2011 - 28%)	235,860	219,340
Over/under provision in prior year	<u>59,566</u>	<u>32,047</u>
Total current tax	<u>295,426</u>	<u>251,387</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 24% (2011 - 28%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>1,148,127</u>	<u>1,149,793</u>
Profit on ordinary activities by rate of tax	275,550	321,942
Depreciation in excess/(less than) capital allowances	7,425	2,151
Disallowed and restricted expenses	15,519	19,895
Group relief (claimed)/surrendered	(76,533)	(116,369)
Prior year adjustment	59,566	32,047
Change in tax rate to 26%	<u>13,899</u>	<u>(8,279)</u>
Total current tax (note 8(a))	<u>295,426</u>	<u>251,387</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

9. TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 July 2011	974,466	751,538	80,455	1,806,459
Additions	-	92,611	21,953	114,564
Disposals	-	(156,220)	(36,180)	(192,400)
At 30 June 2012	974,466	687,929	66,228	1,728,623
DEPRECIATION				
At 1 July 2011	76,666	694,617	60,449	831,732
Charge for the year	-	73,882	17,200	91,082
On disposals	-	(156,221)	(25,786)	(182,007)
At 30 June 2012	76,666	612,278	51,863	740,807
NET BOOK VALUE				
At 30 June 2012	897,800	75,651	14,365	987,816
At 30 June 2011	897,800	56,921	20,006	974,727

Included in the net book value of £897,800 (2011 £861,780) is £652,800 (2011 £652,800) 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.

10. INVESTMENTS

Fixed asset investments

	£	£	£
COST			
At 1 July 2011	387,488	234,816	622,304
Additions	4,100	-	4,100
At 30 June 2012	391,588	234,816	626,404
NET BOOK VALUE			
At 30 June 2012	391,588	234,816	626,404
At 30 June 2011	387,488	234,816	622,304

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

10. INVESTMENTS *(continued)*

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

Aggregate capital and reserves	2012 £	2011 £
Heavyweight Air Express Limited (Inc Ireland)	2,026,109	1,854,099
Ikon com Limited	–	–
Belfast Airport Handling Limited	(1,436,024)	(912,523)
Profit and (loss) for the year		
Heavyweight Air Express Limited (Inc Ireland)	386,811	325,352
Ikon com Limited	–	–
Belfast Airport Handling Limited	523,501	(396,985)

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

11. DEBTORS

	2012 £	2011 £
Trade debtors	2,024,735	1,973,940
Amounts owed by group undertakings	4,067,622	4,161,443
Amounts owed by undertakings in which the company has a participating interest	1,058,314	949,154
Loans from EBT	815,000	815,000
Other debtors	332,408	304,594
Directors current accounts	544,891	540,876
Prepayments and accrued income	179,992	245,713
	<u>9,022,962</u>	<u>8,990,720</u>

Included in the above is an amount of £815,000 (2011 - £815,000) 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 2012

12. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	2,780,404	2,603,156
Amounts owed to group undertakings	2,644,373	3,272,852
Amounts owed to undertakings in which the company has a participating interest	361,249	283,475
Corporation tax	61,868	181,849
PAYE and social security	65,832	49,146
VAT	448,255	375,027
Other creditors	114,836	175,291
Accruals and deferred income	101,033	163,593
	<u>6,577,850</u>	<u>7,104,389</u>

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

	2012 £	2011 £
Other creditors	<u>3,232</u>	<u>43,787</u>

14. PENSIONS

The company paid a total of £31,880 (2011 £37,360) into a defined contribution pension scheme

15. 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

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	<u>39,148</u>	<u>39,148</u>
	<u>39,148</u>	<u>39,148</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	2,052	-	26,486
Within 2 to 5 years	152,925	23,765	4,667	44,867
After more than 5 years	<u>69,000</u>	-	<u>105,000</u>	-
	<u>221,925</u>	<u>25,817</u>	<u>109,667</u>	<u>71,353</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

17. 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.

18. SHARE CAPITAL

Authorised share capital:

	2012 £	2011 £
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid

	2012 No	£	2011 No	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

19. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance brought forward	3,373,742	2,475,336
Profit for the financial year	<u>852,701</u>	<u>898,406</u>
Balance carried forward	<u>4,226,443</u>	<u>3,373,742</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Profit for the financial year	852,701	898,406
Opening shareholder's funds	<u>3,438,742</u>	<u>2,540,336</u>
Closing shareholder's funds	<u>4,291,443</u>	<u>3,438,742</u>

21. NOTES TO THE CASH FLOW STATEMENT

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

	2012 £	2011 £
Operating profit	1,124,716	1,128,870
Depreciation	91,082	89,917
Profit on disposal of fixed assets	(8,048)	-
Increase in debtors	(32,242)	(204,103)
Decrease in creditors	<u>(406,558)</u>	<u>(1,020,695)</u>
Net cash inflow/(outflow) from operating activities	<u>768,950</u>	<u>(6,011)</u>

HEAVYWEIGHT AIR EXPRESS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 2012****21. NOTES TO THE CASH FLOW STATEMENT (continued)****RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2012	2011
	£	£
Interest received	<u>23,411</u>	<u>20,923</u>
Net cash inflow from returns on investments and servicing of finance	<u>23,411</u>	<u>20,923</u>

TAXATION

	2012	2011
	£	£
Taxation	<u>(415,407)</u>	<u>(125,577)</u>

CAPITAL EXPENDITURE

	2012	2011
	£	£
Payments to acquire tangible fixed assets	<u>(114,564)</u>	<u>(131,295)</u>
Receipts from sale of fixed assets	<u>18,441</u>	<u>-</u>
Net cash outflow from capital expenditure	<u>(96,123)</u>	<u>(131,295)</u>

ACQUISITIONS AND DISPOSALS

	2012	2011
	£	£
Acquisition of shares in group undertakings	<u>(4,100)</u>	<u>-</u>
Net cash outflow from acquisitions and disposals	<u>(4,100)</u>	<u>-</u>

FINANCING

	2012	2011
	£	£
Net outflow from other long-term creditors	<u>(40,555)</u>	<u>(54,313)</u>
Net cash outflow from financing	<u>(40,555)</u>	<u>(54,313)</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012		2011	
	£	£	£	£
Increase/(decrease) in cash in the period	236,176		(296,273)	
Net cash outflow from other long-term creditors	<u>40,555</u>		<u>54,313</u>	
		276,731		(241,960)
Change in net funds		276,731		(241,960)
Net debt at 1 July 2011		(5,472)		236,488
Net funds at 30 June 2012		<u>271,259</u>		<u>(5,472)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2011 £	Cash flows £	At 30 Jun 2012 £
Net cash			
Cash in hand and at bank	<u>38,315</u>	<u>236,176</u>	<u>274,491</u>
Debt			
Debt due after 1 year	<u>(43,787)</u>	<u>40,555</u>	<u>(3,232)</u>
Net funds	<u>(5,472)</u>	<u>276,731</u>	<u>271,259</u>

22. ULTIMATE PARENT COMPANY

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