

COMPANY REGISTRATION NUMBER 03410368

HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

30 JUNE 2009

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HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

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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 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2009

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 £1,566,859. Particulars of dividends paid are detailed in note 11 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

C F Neat Esq retired as a director on 30 June 2009

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

HEAVYWEIGHT AIR EXPRESS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2009

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.

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 05/03/2010

HEAVYWEIGHT AIR EXPRESS LIMITED

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

YEAR ENDED 30 JUNE 2009

We have audited the financial statements of Heavyweight Air Express Limited for the year ended 30 June 2009. 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 Sections 495 and 496 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 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.

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 2009 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 2009

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



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

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

11/03/2010

HEAVYWEIGHT AIR EXPRESS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2009

	Note	2009 £	2008 £
TURNOVER	2	18,058,798	17,911,516
Cost of sales		<u>(12,921,444)</u>	<u>(13,392,785)</u>
GROSS PROFIT		5,137,354	4,518,731
Administrative expenses		<u>(3,703,392)</u>	<u>(3,321,980)</u>
Other operating income	3	<u>–</u>	150,536
OPERATING PROFIT	4	1,433,962	1,347,287
Income from shares in group undertakings	7	459,250	–
Interest receivable	8	8,364	6,602
Interest payable and similar charges	9	–	(8,100)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,901,576</u>	<u>1,345,789</u>
Tax on profit on ordinary activities	10	<u>(334,717)</u>	<u>(332,282)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,566,859</u>	<u>1,013,507</u>

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 page 6 form part of these financial statements

HEAVYWEIGHT AIR EXPRESS LIMITED

BALANCE SHEET

30 JUNE 2009

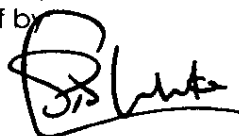
	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	12	679,976	708,488
Investments	13	180,471	48,427
		<u>860,447</u>	<u>756,915</u>
CURRENT ASSETS			
Debtors	14	5,673,220	6,427,720
Cash at bank		42,731	181,240
		<u>5,715,951</u>	<u>6,608,960</u>
CREDITORS Amounts falling due within one year	15	<u>4,673,161</u>	<u>6,607,594</u>
NET CURRENT ASSETS		<u>1,042,790</u>	<u>1,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,903,237</u>	<u>758,281</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	39,148	1,801
		<u>1,864,089</u>	<u>756,480</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	20,000	20,000
Revaluation reserve		45,000	45,000
Profit and loss account	21	1,799,089	691,480
SHAREHOLDER'S FUNDS	22	<u>1,864,089</u>	<u>756,480</u>

These financial statements were approved by the directors and authorised for issue on 05/03/2010, and are signed on their behalf by

M SWEENEY ESQ



C WHITE ESQ



Company Registration Number 03410368

The notes on page 7 form part of these financial statements

HEAVYWEIGHT AIR EXPRESS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 JUNE 2009**

	Note	2009 £	£	2008 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		307,809		1,952,607
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23		467,614		(1,498)
TAXATION	23		(112,500)		(748,151)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23		(32,075)		(78,763)
ACQUISITIONS AND DISPOSALS	23		(132,044)		(48,398)
EQUITY DIVIDENDS PAID			(459,250)		(1,250,000)
INCREASE/(DECREASE) IN CASH	23		<u>39,554</u>		<u>(174,203)</u>

The notes on page 8 form part of these financial statements

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

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

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 2009

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

	2009	2008
	£	£
Other operating income	-	150,536

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of owned fixed assets	60,587	167,507
Loss on disposal of fixed assets	—	599
Auditor's remuneration		
- as auditor	8,000	9,139
Operating lease costs		
- Other	73,450	77,603
Net (profit)/loss on foreign currency translation	<u>(90,461)</u>	<u>107,059</u>

5 PARTICULARS OF EMPLOYEES

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

	2009 No	2008 No
Number of administrative staff	66	66
Number of management staff	3	3
	<u>69</u>	<u>69</u>

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	2,072,263	1,750,492
Social security costs	214,916	188,676
Other pension costs	47,058	43,067
	<u>2,334,237</u>	<u>1,982,235</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009 £	2008 £
Aggregate remuneration	<u>925,385</u>	<u>751,020</u>

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

	2009 No	2008 No
Money purchase schemes	<u>3</u>	<u>3</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2009 £	2008 £
Income from group undertakings	<u>459,250</u>	<u>-</u>

8. INTEREST RECEIVABLE

	2009 £	2008 £
Bank interest receivable	<u>8,364</u>	<u>6,602</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on bank borrowing	<u>-</u>	<u>8,100</u>

10. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	<u>297,370</u>	<u>332,282</u>
Total current tax	<u>297,370</u>	<u>332,282</u>
Deferred tax		
Origination and reversal of timing differences (note 17)		
Capital allowances	<u>37,347</u>	<u>-</u>
Tax on profit on ordinary activities	<u>334,717</u>	<u>332,282</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

12 TANGIBLE FIXED ASSETS *(continued)*

(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% (2008 - 30%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>1,901,576</u>	<u>1,345,789</u>
Profit on ordinary activities by rate of tax	532,441	403,737
Depreciation in excess/(less than) capital allowances	(3,690)	25,631
Disallowed and restricted expenses	47,178	36,922
Group relief (claimed)/surrendered	(149,969)	(128,407)
Non taxable income	(128,590)	-
Change in tax rate to 28%	-	(5,601)
Total current tax (note 10(a))	<u>297,370</u>	<u>332,282</u>

11. DIVIDENDS

Equity dividends

	2009 £	2008 £
Paid during the year		
Equity dividends on ordinary shares	<u>459,250</u>	<u>1,250,000</u>

12. TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 July 2008	678,220	595,208	25,000	1,298,428
Additions	-	27,875	4,200	32,075
At 30 June 2009	<u>678,220</u>	<u>623,083</u>	<u>29,200</u>	<u>1,330,503</u>
DEPRECIATION				
At 1 July 2008	37,762	527,178	25,000	589,940
Charge for the year	704	59,358	525	60,587
At 30 June 2009	<u>38,466</u>	<u>586,536</u>	<u>25,525</u>	<u>650,527</u>
NET BOOK VALUE				
At 30 June 2009	<u>639,754</u>	<u>36,547</u>	<u>3,675</u>	<u>679,976</u>
At 30 June 2008	<u>640,458</u>	<u>68,030</u>	-	<u>708,488</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

12. TANGIBLE FIXED ASSETS *(continued)*

Included in the net book value of £686,085 (2008 £708,488) is £395,020 (2008 £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. The Directors are of the opinion that the value shown within the accounts is not materially different from the open market value.

13. INVESTMENTS

Fixed asset investments

	£
COST	
At 1 July 2008	48,427
Additions	132,044
At 30 June 2009	<u>180,471</u>
NET BOOK VALUE	
At 30 June 2009	<u>180,471</u>
At 30 June 2008	<u>48,427</u>

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

Aggregate capital and reserves

Heavyweight Air Express Limited (Inc Ireland)	1,844,797	2,096,966
Ikon com Limited	(1,236)	(2,847)
Belfast Airport Handling Limited	-	-

Profit and (loss) for the year

Heavyweight Air Express Limited (Inc Ireland)	286,669	584,590
Ikon com Limited	1,611	(1,551)
Belfast Airport Handling Limited	-	-

The company also owns 24.5% 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.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

14. DEBTORS

	2009 £	2008 £
Trade debtors	1,654,861	2,623,417
Amounts owed by group undertakings	2,506,930	2,354,827
Amounts owed by undertakings in which the company has a participating interest	86,186	163,003
Corporation tax repayable	-	70,502
Other debtors loans from EBT	490,000	490,000
Other debtors	459,609	380,783
Directors current accounts	255,477	158,148
Prepayments and accrued income	220,157	187,040
	<u>5,673,220</u>	<u>6,427,720</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

15 CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Overdrafts	3,966	182,029
Trade creditors	1,936,149	2,577,882
Amounts owed to group undertakings	1,442,225	1,737,466
Amounts owed to undertakings in which the company has a participating interest	171,848	24,669
Corporation tax	114,368	-
PAYE and social security	105,067	-
VAT	300,245	506,335
Other creditors	179,235	1,024,390
Accruals and deferred income	420,058	554,823
	<u>4,673,161</u>	<u>6,607,594</u>

16. PENSIONS

The company paid a total of £47,058 (2008 £43,067) into a defined contribution pension scheme

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2009 £	2008 £
Provision brought forward	1,801	1,801
Profit and loss account movement arising during the year	37,347	-
Provision carried forward	<u>39,148</u>	<u>1,801</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

17 DEFERRED TAXATION *(continued)*

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

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	39,148	1,801
	<u>39,148</u>	<u>1,801</u>

18 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	19,949	-	12,854
Within 2 to 5 years	94,000	44,883	94,000	50,989
After more than 5 years	69,000	-	69,000	-
	<u>163,000</u>	<u>64,832</u>	<u>163,000</u>	<u>63,843</u>

19. 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.

20 SHARE CAPITAL

Authorised share capital

	2009 £	2008 £
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

21 PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	691,480	927,973
Profit for the financial year	1,566,859	1,013,507
Equity dividends	(459,250)	(1,250,000)
Balance carried forward	<u>1,799,089</u>	<u>691,480</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009 £	2008 £
Profit for the financial year	1,566,859	1,013,507
Equity dividends	(459,250)	(1,250,000)
Net addition/(reduction) to shareholder's funds	1,107,609	(236,493)
Opening shareholder's funds	756,480	992,973
Closing shareholder's funds	<u>1,864,089</u>	<u>756,480</u>

23 NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	1,433,962	1,347,287
Depreciation	60,587	167,507
Loss on disposal of fixed assets	—	599
Decrease/(increase) in debtors	683,998	(2,073,246)
(Decrease)/increase in creditors	(1,870,738)	2,510,460
Net cash inflow from operating activities	<u>307,809</u>	<u>1,952,607</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009 £	2008 £
Income from group undertakings	459,250	—
Interest received	8,364	6,602
Interest paid	—	(8,100)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u>467,614</u>	<u>(1,498)</u>

TAXATION

	2009 £	2008 £
Taxation	<u>(112,500)</u>	<u>(748,151)</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

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

CAPITAL EXPENDITURE

	2009 £	2008 £
Payments to acquire tangible fixed assets	<u>(32,075)</u>	<u>(78,763)</u>
Net cash outflow from capital expenditure	<u>(32,075)</u>	<u>(78,763)</u>

ACQUISITIONS AND DISPOSALS

	2009 £	2008 £
Acquisition of shares in group undertakings	<u>(132,044)</u>	<u>(48,398)</u>
Net cash outflow from acquisitions and disposals	<u>(132,044)</u>	<u>(48,398)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 £	2008 £
Increase/(Decrease) in cash in the period	<u>39,554</u>	<u>(174,203)</u>
Movement in net funds in the period	<u>39,554</u>	<u>(174,203)</u>
Net debt at 1 July 2008	<u>(789)</u>	173,414
Net funds at 30 June 2009	<u>38,765</u>	<u>(789)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2008 £	Cash flows £	At 30 Jun 2009 £
Net cash			
Cash in hand and at bank	181,240	(138,509)	42,731
Overdrafts	<u>(182,029)</u>	<u>178,063</u>	<u>(3,966)</u>
	<u>(789)</u>	<u>39,554</u>	<u>38,765</u>
Net funds	<u>(789)</u>	<u>39,554</u>	<u>38,765</u>

24. 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 2009

**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 2009**

	2009		2008	
	£	£	£	£
TURNOVER		18,058,798		17,911,516
COST OF SALES				
Purchases	(12,313,119)		(12,790,910)	
Carriage inwards and import duty	<u>(608,325)</u>		<u>(601,875)</u>	
		(12,921,444)		(13,392,785)
GROSS PROFIT		5,137,354		4,518,731
OVERHEADS				
Administrative expenses		(3,703,392)		(3,321,980)
		1,433,962		1,196,751
OTHER OPERATING INCOME				
Other operating income		-		150,536
OPERATING PROFIT		1,433,962		1,347,287
Income from shares in group companies		459,250		-
Bank interest receivable		8,364		6,602
		1,901,576		1,353,889
Bank interest payable		-		(8,100)
PROFIT ON ORDINARY ACTIVITIES		1,901,576		1,345,789

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2009

	2009		2008	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	779,209		751,020	
Directors national insurance contributions	96,920		84,572	
Wages and salaries	1,293,054		999,472	
Staff national insurance	117,996		104,104	
Staff pension contributions	47,058		43,067	
	<u>2,334,237</u>		<u>1,982,235</u>	
Establishment expenses				
Rent, rates and water	247,758		211,530	
Light and heat	29,323		22,650	
Insurance	103,580		58,266	
Repairs and maintenance	87,823		20,324	
Dilapidations	–		16,000	
Cleaning of premises	25,654		23,926	
	<u>494,138</u>		<u>352,696</u>	
General expenses				
Motor expenses	24,581		25,775	
Travel and subsistence	145,284		82,556	
Vehicle leasing charges	73,450		77,603	
Telephone	99,260		84,773	
Computer running costs	16,875		5,488	
Printing, stationery and postage	95,127		65,309	
Staff training	5,552		4,109	
Staff welfare	11,185		12,632	
Sundry expenses	22,500		9,036	
Donations	574		7,529	
Joint venture overheads	–		45,088	
Advertising	49,962		27,439	
Entertaining	118,248		86,238	
Legal and professional fees	111,600		109,824	
Accountancy fees	24,061		11,487	
Auditors remuneration	8,000		9,139	
Depreciation of fixtures and fittings	60,062		167,507	
Depreciation of motor vehicles	525		–	
Loss on disposal of fixed assets	–		599	
	<u>866,846</u>		<u>832,131</u>	
Financial costs				
Bad debts written off	26,190		(33,650)	
Factoring charges	54,921		72,250	
Bank charges	17,521		9,259	
Foreign currency gains/losses	(90,461)		107,059	
	<u>8,171</u>		<u>154,918</u>	
	<u>3,703,392</u>		<u>3,321,980</u>	

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2009

	2009		2008	
	£	£	£	£
INTEREST RECEIVABLE				
Bank interest receivable		<u>8,364</u>		<u>6,602</u>