

COMPANY REGISTRATION NUMBER 03410368

HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

30 JUNE 2010

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HEAVYWEIGHT AIR EXPRESS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

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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 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2010

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 £676,247. 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 2010


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

A handwritten signature in black ink, appearing to read 'C White', with a large, stylized initial 'C'.

C WHITE ESQ
Company Secretary

Approved by the directors on 22/12/2010

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

YEAR ENDED 30 JUNE 2010

We have audited the financial statements of Heavyweight Air Express Limited for the year ended 30 June 2010. 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 Section 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 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 2010 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 2010

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

22/12/2010

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 2010

	Note	2010 £	2009 £
TURNOVER	2	13,997,161	17,765,488
Cost of sales		(10,295,434)	(12,921,444)
GROSS PROFIT		3,701,727	4,844,044
Administrative expenses		(4,077,998)	(3,703,392)
Other operating income	3	390,309	293,310
OPERATING PROFIT	4	14,038	1,433,962
Income from shares in group undertakings	7	742,716	459,250
Interest receivable	8	22,648	8,364
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		779,402	1,901,576
Tax on profit on ordinary activities	9	(103,155)	(334,717)
PROFIT FOR THE FINANCIAL YEAR		676,247	1,566,859

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 19 form part of these financial statements

HEAVYWEIGHT AIR EXPRESS LIMITED

BALANCE SHEET

30 JUNE 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	11	933,349	679,976
Investments	12	622,304	229,881
		<u>1,555,653</u>	<u>909,857</u>
CURRENT ASSETS			
Debtors	13	8,786,617	5,673,220
Cash at bank		334,588	42,731
		<u>9,121,205</u>	<u>5,715,951</u>
CREDITORS: Amounts falling due within one year	14	7,999,274	4,722,571
NET CURRENT ASSETS		<u>1,121,931</u>	<u>993,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,677,584</u>	<u>1,903,237</u>
CREDITORS: Amounts falling due after more than one year	15	98,100	-
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	39,148	39,148
		<u>2,540,336</u>	<u>1,864,089</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	2,475,336	1,799,089
SHAREHOLDER'S FUNDS	22	<u>2,540,336</u>	<u>1,864,089</u>

These financial statements were approved by the directors and authorised for issue on 24/12/2010, and are signed on their behalf by:


M SWEENEY ESQ


C WHITE ESQ

Company Registration Number 03410368

The notes on pages 9 to 19 form part of these financial statements

HEAVYWEIGHT AIR EXPRESS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 JUNE 2010**

	Note	2010 £	£	2009 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		289,990		357,219
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23		765,364		467,614
TAXATION	23		(161,484)		(112,500)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23		(303,724)		(32,075)
ACQUISITIONS AND DISPOSALS	23		(392,423)		(181,454)
EQUITY DIVIDENDS PAID			-		(459,250)
CASH INFLOW BEFORE FINANCING			197,723		39,554
FINANCING	23		98,100		-
INCREASE IN CASH	23		<u>295,823</u>		<u>39,554</u>

The notes on pages 9 to 19 form part of these financial statements.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

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 2010

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

	2010	2009
	£	£
Rent receivable	6,469	—
Management charges receivable	380,435	293,310
Other operating income	3,405	—
	<u>390,309</u>	<u>293,310</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of owned fixed assets	50,351	60,587
Auditor's remuneration		
- as auditor	12,000	8,000
Operating lease costs		
- Other	77,005	73,450
Net loss/(profit) on foreign currency translation	<u>69,071</u>	<u>(90,461)</u>

5 PARTICULARS OF EMPLOYEES

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

	2010 No	2009 No
Number of administrative staff	67	66
Number of management staff	<u>3</u>	<u>3</u>
	<u>70</u>	<u>69</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	2,251,252	2,072,263
Social security costs	219,125	214,916
Other pension costs	43,762	47,058
	<u>2,514,139</u>	<u>2,334,237</u>

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Aggregate remuneration	<u>938,761</u>	<u>814,367</u>

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

	2010 No	2009 No
Money purchase schemes	<u>3</u>	<u>3</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2010 £	2009 £
Income from group undertakings	<u>742,716</u>	<u>459,250</u>

8 INTEREST RECEIVABLE

	2010 £	2009 £
Bank interest receivable	<u>22,648</u>	<u>8,364</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009 - 28%)	5,250	297,370
Over/under provision in prior year	<u>(52,095)</u>	-
	<u>(46,845)</u>	297,370
Taxation settlement	<u>150,000</u>	-
Total current tax	103,155	297,370
Deferred tax		
Origination and reversal of timing differences (note 17)		
Capital allowances	-	37,347
Tax on profit on ordinary activities	<u>103,155</u>	<u>334,717</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

9. TAXATION ON ORDINARY ACTIVITIES *(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 21% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>779,402</u>	<u>1,901,576</u>
Profit on ordinary activities by rate of tax	163,674	532,441
Depreciation in excess/(less than) capital allowances	(10,650)	(3,690)
Disallowed and restricted expenses	32,258	47,178
Group relief (claimed)/surrendered	(24,062)	(149,969)
Non taxable income	(155,970)	(128,590)
Prior year adjustment	(52,095)	-
Taxation settlement	<u>150,000</u>	<u>-</u>
Total current tax (note 9(a))	<u>103,155</u>	<u>297,370</u>

10. DIVIDENDS

Equity dividends

	2010 £	2009 £
Paid during the year	-	459,250
Equity dividends on ordinary shares	<u>-</u>	<u>459,250</u>

11. TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 July 2009	678,220	623,083	29,200	1,330,503
Additions	222,026	62,423	19,275	303,724
Disposals	-	(35,463)	-	(35,463)
At 30 June 2010	<u>900,246</u>	<u>650,043</u>	<u>48,475</u>	<u>1,598,764</u>
DEPRECIATION				
At 1 July 2009	38,466	586,536	25,525	650,527
Charge for the year	-	42,629	7,722	50,351
On disposals	-	(35,463)	-	(35,463)
At 30 June 2010	<u>38,466</u>	<u>593,702</u>	<u>33,247</u>	<u>665,415</u>
NET BOOK VALUE				
At 30 June 2010	<u>861,780</u>	<u>56,341</u>	<u>15,228</u>	<u>933,349</u>
At 30 June 2009	<u>639,754</u>	<u>36,547</u>	<u>3,675</u>	<u>679,976</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

11 TANGIBLE FIXED ASSETS *(continued)*

Included in the net book value of £639,574 (2009 £639,574) is £395,020 (2009 £395,020) 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.

12 INVESTMENTS

	Fixed asset investments		
	£	£	£
COST			
At 1 July 2009	180,471	49,410	229,881
Additions	207,017	185,406	392,423
At 30 June 2010	<u>387,488</u>	<u>234,816</u>	<u>622,304</u>
NET BOOK VALUE			
At 30 June 2010	<u>387,488</u>	<u>234,816</u>	<u>622,304</u>
At 30 June 2009	<u>180,471</u>	<u>49,410</u>	<u>229,881</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)	1,392,552	2,007,598
Ikon com Limited	-	(1,236)
Belfast Airport Handling Limited	-	-

Profit and (loss) for the year

Heavyweight Air Express Limited (Inc. Ireland)	(132,314)	350,989
Ikon com Limited	-	1,611
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.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

13 DEBTORS

	2010 £	2009 £
Trade debtors	1,746,970	1,654,861
Amounts owed by group undertakings	4,783,118	2,506,930
Amounts owed by undertakings in which the company has a participating interest	285,745	86,186
Loans from EBT	815,000	490,000
Other debtors	381,715	459,609
Directors current accounts	583,243	255,477
Prepayments and accrued income	190,826	220,157
	<u>8,786,617</u>	<u>5,673,220</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

14. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Overdrafts	-	3,966
Trade creditors	2,333,485	1,936,149
Amounts owed to group undertakings	3,794,480	1,442,225
Amounts owed to undertakings in which the company has a participating interest	141,774	221,258
Corporation tax	56,039	114,368
PAYE and social security	58,642	105,067
VAT	242,438	300,245
Other creditors	876,629	179,235
Accruals and deferred income	495,787	420,058
	<u>7,999,274</u>	<u>4,722,571</u>

15 CREDITORS. Amounts falling due after more than one year

	2010 £	2009 £
Other creditors	<u>98,100</u>	<u>-</u>

16 PENSIONS

The company paid a total of £43,762 (2009 £47,058) into a defined contribution pension scheme

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2010	2009
	£	£
Provision brought forward	39,148	1,801
Profit and loss account movement arising during the year	-	37,347
Provision carried forward	<u>39,148</u>	<u>39,148</u>

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

	2010	2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	39,148	39,148
	<u>39,148</u>	<u>39,148</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	26,486	-	19,949
Within 2 to 5 years	94,000	44,867	94,000	44,883
After more than 5 years	<u>69,000</u>	-	<u>69,000</u>	-
	<u>163,000</u>	<u>71,353</u>	<u>163,000</u>	<u>64,832</u>

19. 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.

20. SHARE CAPITAL

Authorised share capital:

	2010	2009
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid.

	2010		2009	
	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 2010

21 PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Balance brought forward	1,799,089	691,480
Profit for the financial year	676,247	1,566,859
Equity dividends	-	(459,250)
Balance carried forward	<u>2,475,336</u>	<u>1,799,089</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
Profit for the financial year	676,247	1,566,859
Equity dividends	-	(459,250)
Net addition to shareholder's funds	676,247	1,107,609
Opening shareholder's funds	1,864,089	756,480
Closing shareholder's funds	<u>2,540,336</u>	<u>1,864,089</u>

23. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	14,038	1,433,962
Depreciation	50,351	60,587
(Increase)/decrease in debtors	(3,113,397)	683,998
Increase/(decrease) in creditors	3,338,998	(1,821,328)
Net cash inflow from operating activities	<u>289,990</u>	<u>357,219</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2010 £	2009 £
Income from group undertakings	742,716	459,250
Interest received	22,648	8,364
Net cash inflow from returns on investments and servicing of finance	<u>765,364</u>	<u>467,614</u>

TAXATION

	2010 £	2009 £
Taxation	<u>(161,484)</u>	<u>(112,500)</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

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

CAPITAL EXPENDITURE

	2010 £	2009 £
Payments to acquire tangible fixed assets	(303,724)	(32,075)
Net cash outflow from capital expenditure	<u>(303,724)</u>	<u>(32,075)</u>

ACQUISITIONS AND DISPOSALS

	2010 £	2009 £
Acquisition of shares in group undertakings	(207,017)	(132,044)
Acquire investments in participating interests	<u>(185,406)</u>	<u>(49,410)</u>
Net cash outflow from acquisitions and disposals	<u>(392,423)</u>	<u>(181,454)</u>

FINANCING

	2010 £	2009 £
Net inflow from other long-term creditors	<u>98,100</u>	—
Net cash inflow from financing	<u>98,100</u>	<u>—</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010 £	£	2009 £	£
Increase in cash in the period	295,823		39,554	
Net cash (inflow) from other long-term creditors	<u>(98,100)</u>		—	
		<u>197,723</u>		<u>39,554</u>
Change in net funds		197,723		39,554
Net funds at 1 July 2009		<u>38,765</u>		<u>(789)</u>
Net funds at 30 June 2010		<u>236,488</u>		<u>38,765</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

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

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2009 £	Cash flows £	At 30 Jun 2010 £
Net cash			
Cash in hand and at bank	42,731	291,857	334,588
Overdrafts	(3,966)	3,966	-
	<u>38,765</u>	<u>295,823</u>	<u>334,588</u>
Debt			
Debt due after 1 year	-	(98,100)	(98,100)
Net funds	<u>38,765</u>	<u>197,723</u>	<u>236,488</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 2010

**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 2010**

	2010		2009	
	£	£	£	£
TURNOVER		13,997,161		17,765,488
COST OF SALES				
Purchases	(9,803,844)		(12,312,747)	
Carriage inwards and import duty	<u>(491,590)</u>		<u>(608,697)</u>	
		(10,295,434)		(12,921,444)
GROSS PROFIT		3,701,727		4,844,044
OVERHEADS				
Administrative expenses		(4,077,998)		(3,703,392)
		(376,271)		1,140,652
OTHER OPERATING INCOME		390,309		293,310
OPERATING PROFIT		14,038		1,433,962
Income from shares in group companies		742,716		459,250
Bank interest receivable		22,648		8,364
PROFIT ON ORDINARY ACTIVITIES		<u>779,402</u>		<u>1,901,576</u>

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2010

	2010		2009	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	891,882		779,209	
Directors national insurance contributions	70,703		96,920	
Wages and salaries	1,359,370		1,293,054	
Staff national insurance	148,422		117,996	
Staff pension contributions	43,762		47,058	
		2,514,139		2,334,237
Establishment expenses				
Rent, rates and water	219,369		247,758	
Light and heat	18,230		29,323	
Insurance	105,661		103,580	
Repairs and maintenance	87,249		87,823	
Cleaning of premises	21,220		25,654	
		451,729		494,138
General expenses				
Motor expenses	28,782		24,581	
Travel and subsistence	124,345		145,284	
Vehicle leasing charges	77,005		73,450	
Telephone	128,411		99,260	
Computer running costs	5,993		16,875	
Printing, stationery and postage	74,133		95,127	
Staff training	7,656		5,552	
Staff welfare	14,639		11,185	
Sundry expenses	6,054		22,500	
Donations	1,000		574	
Advertising	61,026		49,962	
Entertaining	112,590		118,248	
Management charges payable	90,000		-	
Legal and professional fees	112,390		111,600	
Accountancy fees	33,736		24,061	
Auditors remuneration	12,000		8,000	
Depreciation of fixtures and fittings	42,629		60,062	
Depreciation of motor vehicles	7,722		525	
		940,111		866,846
Financial costs				
Bad debts written off	52,711		26,190	
Factoring charges	37,822		54,921	
Bank charges	12,415		17,521	
Foreign currency gains/losses	69,071		(90,461)	
		172,019		8,171
		<u>4,077,998</u>		<u>3,703,392</u>

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2010

	2010 £	2009 £
OTHER OPERATING INCOME		
Rent receivable	6,469	-
Management charges receivable	380,435	293,310
Other operating income	3,405	-
	<u>390,309</u>	<u>293,310</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>22,648</u>	<u>8,364</u>