

Company Registration No. 03410368 (England and Wales)

**HEAVYWEIGHT AIR EXPRESS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2000**

LEVY GEE



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COMPANIES HOUSE

\*LNTQD026\*

0121  
23/04/01

# HEAVYWEIGHT AIR EXPRESS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C E Chapman M Sweeney C A Norman
<b>Secretary</b>	C A Norman
<b>Company number</b>	03410368
<b>Registered office</b>	66 Wigmore Street London W1U 2HQ
<b>Auditors</b>	Levy Gee 66 Wigmore Street London W1U 2HQ

# HEAVYWEIGHT AIR EXPRESS LIMITED

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# HEAVYWEIGHT AIR EXPRESS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

The directors present their report and financial statements for the year ended 30 June 2000.

### Principal activities and review of the business

The principal activity of the company is that of the provision of freight placement services within the aviation industry.

The directors are encouraged by the results of the company for the year and are confident of continued success in the coming years.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### Introduction of the Euro

The directors are aware of the Single European Currency and are satisfied that the systems in place will cope with this currency.

### Directors

The following directors have held office since 1 July 1999:

C E Chapman  
M Sweeney  
C A Norman

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2000	1 July 1999
C E Chapman	-	-
M Sweeney	-	-
C A Norman	-	-

The directors interests in the share capital of the parent company can be seen in the directors report of that company.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Levy Gee be reappointed as auditors of the company will be put to the Annual General Meeting.

LEVY GEE

# HEAVYWEIGHT AIR EXPRESS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

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### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



.....  
C E Chapman

Director

17/4/01.....

LEVY GEE

# HEAVYWEIGHT AIR EXPRESS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF HEAVYWEIGHT AIR EXPRESS LIMITED

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We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Levy Gee

Registered Auditor

19/4/01.....

66 Wigmore Street  
London  
W1U 2HQ

# HEAVYWEIGHT AIR EXPRESS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000 £	1999 £
Turnover	2	9,872,860	7,964,586
Cost of sales		(8,312,552)	(6,790,308)
<b>Gross profit</b>		<b>1,560,308</b>	<b>1,174,278</b>
Administrative expenses		(1,251,147)	(1,040,630)
<b>Operating profit</b>	3	<b>309,161</b>	<b>133,648</b>
Other interest receivable and similar income	4	69,934	70,427
Interest payable and similar charges	5	(42)	-
<b>Profit on ordinary activities before taxation</b>		<b>379,053</b>	<b>204,075</b>
Tax on profit on ordinary activities	6	(134,660)	(47,800)
<b>Profit on ordinary activities after taxation</b>	11	<b>244,393</b>	<b>156,275</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

LEVY GEE

# HEAVYWEIGHT AIR EXPRESS LIMITED

## BALANCE SHEET AS AT 30 JUNE 2000

	Notes	2000 £	£	1999 £	£
<b>Fixed assets</b>					
Tangible assets	7		23,183		13,880
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	1,546,010		1,217,347	
Debtors: amounts falling due after more than one year	8	568,808		410,765	
Cash at bank and in hand		985,125		573,168	
		<u>3,099,943</u>		<u>2,201,280</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,468,828)</u>		<u>(1,805,255)</u>	
<b>Net current assets</b>			<u>631,115</u>		<u>396,025</u>
<b>Total assets less current liabilities</b>			<u>654,298</u>		<u>409,905</u>
<b>Capital and reserves</b>					
Called up share capital	10		20,000		20,000
Profit and loss account	11		634,298		389,905
<b>Shareholders' funds - equity interests</b>	12		<u>654,298</u>		<u>409,905</u>

The financial statements were approved by the Board on 17/04/01

C E Chapman  
Director



# HEAVYWEIGHT AIR EXPRESS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

	2000 £	1999 £
<b>Net cash inflow/(outflow) from operating activities</b>	413,566	(122,549)
<b>Returns on investments and servicing of finance</b>		
Interest received	69,934	70,427
Interest paid	(42)	-
	<u>69,892</u>	<u>70,427</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	69,892	70,427
<b>Taxation</b>	(47,774)	(126,626)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(23,727)	(13,317)
Receipts from sales of tangible assets	-	16,068
	<u>(23,727)</u>	<u>16,068</u>
<b>Net cash (outflow)/inflow for capital expenditure</b>	(23,727)	2,751
	<u>411,957</u>	<u>(175,997)</u>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	411,957	(175,997)
	<u>411,957</u>	<u>(175,997)</u>
<b>Increase/(decrease) in cash in the year</b>	<u>411,957</u>	<u>(175,997)</u>

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# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2000 £	1999 £
	Operating profit	309,161	133,648
	Depreciation of tangible assets	14,424	12,866
	Loss on disposal of tangible assets	-	1,569
	(Increase)/decrease in debtors	(507,732)	97,079
	Increase/(decrease) in creditors within one year	597,713	(367,711)
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>413,566</b>	<b>(122,549)</b>

2	Analysis of net funds	1 July 1999 £	Cash flow £	Other non-cash changes £	30 June 2000 £
	Net cash:				
	Cash at bank and in hand	573,168	411,957	-	985,125
	Debt	-	-	-	-
	<b>Net funds</b>	<b>573,168</b>	<b>411,957</b>	<b>-</b>	<b>985,125</b>

3	Reconciliation of net cash flow to movement in net funds	2000 £	1999 £
	Increase/(decrease) in cash in the year	411,957	(175,997)
	<b>Movement in net funds in the year</b>	<b>411,957</b>	<b>(175,997)</b>
	Opening net funds	573,168	749,165
	<b>Closing net funds</b>	<b>985,125</b>	<b>573,168</b>

LEVY GEE

# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	25% Straight line.
Fixtures, fittings & equipment	25% Straight line.
Motor vehicles	25% Straight line.

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 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 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	14,424	12,866
Operating lease rentals	56,216	33,142
Auditors' remuneration	6,300	4,200
	<u>76,940</u>	<u>50,208</u>

# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

<b>4</b>	<b>Other interest receivable and similar income</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Bank interest	38,550	37,933
	Other interest	31,384	32,494
		<u>69,934</u>	<u>70,427</u>
<b>5</b>	<b>Interest payable</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	42	-
<b>6</b>	<b>Taxation</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 30% (1999 - 31%)	134,660	68,800
	<b>Prior years</b>		
	U.K. corporation tax	-	(21,000)
		<u>134,660</u>	<u>47,800</u>

LEVY GEE

# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

### 7 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 July 1999	-	28,456	28,456
Additions	12,071	11,656	23,727
	<u>12,071</u>	<u>40,112</u>	<u>52,183</u>
At 30 June 2000	12,071	40,112	52,183
<b>Depreciation</b>			
At 1 July 1999	-	14,576	14,576
Charge for the year	-	14,424	14,424
	<u>-</u>	<u>29,000</u>	<u>29,000</u>
At 30 June 2000	-	29,000	29,000
<b>Net book value</b>			
At 30 June 2000	12,071	11,112	23,183
	<u>12,071</u>	<u>11,112</u>	<u>23,183</u>
At 30 June 1999	-	13,880	13,880
	<u>-</u>	<u>13,880</u>	<u>13,880</u>

### 8 Debtors

	2000 £	1999 £
Trade debtors	1,248,186	1,169,322
Amounts owed by parent and fellow subsidiary undertakings	28,838	16,713
Corporation tax	-	21,026
Other debtors	818,860	413,090
Prepayments and accrued income	18,934	7,961
	<u>2,114,818</u>	<u>1,628,112</u>

Amounts falling due after more than one year and included in the debtors above are:

	2000 £	1999 £
Other debtors	<u>568,808</u>	<u>410,765</u>

Included within other debtors is £200 of unpaid share capital and £1,250 owed by Mr M Sweeney a director of the company. The latter balance was repaid after the year end.

# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

<b>9 Creditors: amounts falling due within one year</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,866,253	1,524,786
Corporation tax	134,660	68,800
Other taxes and social security costs	132,056	109,539
Other creditors	4,373	22,752
Accruals and deferred income	331,486	79,378
	<u>2,468,828</u>	<u>1,805,255</u>
<b>10 Share capital</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
20,000 Ordinary shares of £ 1 each	<u>20,000</u>	<u>20,000</u>
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of £ 1 each	<u>20,000</u>	<u>20,000</u>
<b>11 Statement of movements on profit and loss account</b>		
		<b>Profit and loss account £</b>
Balance at 1 July 1999		389,905
Retained profit for the year		<u>244,393</u>
Balance at 30 June 2000		<u>634,298</u>
<b>12 Reconciliation of movements in shareholders' funds</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	244,393	156,275
Opening shareholders' funds	<u>409,905</u>	<u>253,630</u>
Closing shareholders' funds	<u>654,298</u>	<u>409,905</u>

# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

### 13 Financial commitments

At 30 June 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2000	1999	2000	Other 1999
	£	£	£	£
Expiry date:				
Within one year	-	-	17,447	9,585
Between two and five years	105,000	-	65,503	30,192
	<u>105,000</u>	<u>-</u>	<u>82,950</u>	<u>39,777</u>

### 14 Directors' emoluments

	2000	1999
	£	£
Emoluments for qualifying services	<u>364,818</u>	<u>330,591</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>166,223</u>	<u>163,391</u>
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### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Management and administration	<u>16</u>	<u>15</u>

#### Employment costs

	£	£
Wages and salaries	463,946	424,859
Social security costs	<u>44,817</u>	<u>43,314</u>
	<u>508,763</u>	<u>468,173</u>

### 16 Control

The immediate and ultimate parent company is Westbush Limited, a company registered in England and Wales.

# HEAVYWEIGHT AIR EXPRESS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2000

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### 17 Related party transactions

During the year to 30 June 2000 the company undertook transactions with Chapman Freeborn Airmarketing Limited, Chapman Freeborn Airmarketing Limited (incorporated in Ireland), Air Logistics Limited and Chapman Freeborn Airchartering Limited, Mr C E Chapman and Ms C A Norman are each directors in all of these companies. The company paid £150,000 (1999:£150,000) for professional advice, £35,063 (1999:£41,800) for the provision of secretarial services, £157,169 (1999:£296,643) for purchases and made sales of £151,704 (1999:£212,834) to these related companies in the year. At the year end £5,182 (1999:£33,837) was owed to the above companies and a total of £138,063 (1999:£40,478) was owed from them.

Consultancy fees of £Nil (1999:£19,500) were paid to MDCS Services, a business of which Mr M Sweeney is the proprietor. There was no balance owing to or from that business at the year end.

LEVY GEE