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REGISTRAR'S COPY

31

ACTIVAIR LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1984



ACTIVAIR LIMITED

DIRECTORS

H EVANS ESQ
M STINTON ESQ
C THOMPSON ESQ
D TWITCHETT ESQ

SECRETARY

F EVANS ESQ

REGISTERED OFFICE

UNIT 12/13
LIDDALL WAY
HORTON ROAD
WEST DRAYTON
MIDDLESEX

BANKERS

LLOYDS BANK PLC
SLOUGH CENTRAL BRANCH
24 HIGH STREET
SLOUGH
BERKSHIRE

AUDITORS

MESSRS CLARKS
CHARTERED ACCOUNTANTS
CIPPENHAM COURT
CIPPENHAM LANE
SLOUGH
BERKSHIRE
SL1 5AT

ACTIVAIR LIMITED

DIRECTORS' REPORT

1. RESULTS AND DIVIDENDS

GROUP

The trading profit for the year before taxation was £48487 (1983 £40707). The Directors do not recommend the payment of a Dividend.

COMPANY

The trading profit for the year before taxation was £42082 (1983 £38921).

2. REVIEW OF THE BUSINESS

The principal activity of the Group is that of International Air Freight Forwarding.

Turnover has increased during the year and the trading results are considered satisfactory. The Directors are of the opinion that if present conditions continue the Group and Company will maintain the current trading level and profitability.

3. DIRECTORS

The Directors at the end of the year and their interests in the share capital of the Company were as follows:

	<u>At 31st May 1984</u>	<u>At 31st May 1983</u>
	<u>Ordinary</u>	<u>Ordinary</u>
	<u>Shares</u>	<u>Shares</u>
H Evans	10600	10600
M Stinton	4000	4000
C Thompson	4000	4000
D Twitchett	-	-

Mr D Twitchett was appointed a Director on 15th November 1984. Mr D Twitchett and Mr C Thompson retire from the Board and being eligible offer themselves for re-election.

4. FIXED ASSETS

The movement on fixed assets during the year can be seen by reference to the Balance Sheet and Notes to the Accounts.

5. POLITICAL AND CHARITABLE DONATIONS

No donations were made for political or charitable purposes.


6. STATUS

The Company is a close Company under the provisions of the Taxes Acts.

7. AUDITORS

A resolution to re-appoint Messrs Clarks as Auditors to the Company will be proposed at the next Annual General Meeting of the Company.

BY ORDER OF THE BOARD


.....

F EVANS
Secretary

ACTIVAIR LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1984

	<u>NOTES</u>	<u>1984</u> £	£	<u>1983</u> £	£
TURNOVER	2		2768033		2322301
COST OF SALES			(2303759)		(1956203)
GROSS PROFIT			464274		366098
ADMINISTRATION EXPENSES			(405651)		(308345)
			58623		57753
OTHER INCOME	5	264		197	
INTEREST PAYABLE AND SIMILAR CHARGES	6	(16805)	(16541)	(19029)	(18832)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7		42082		38921
TAX ON PROFIT ON ORDINARY ACTIVITIES	8		(11322)		(9323)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			30760		29598
EXTRAORDINARY ITEM	9		16613		-
RETAINED PROFIT FOR THE FINANCIAL YEAR			£ 14147		£ 29598
			=====		=====

ACTIVAIR LIMITED

BALANCE SHEET

AS AT 31ST MAY 1984

	NOTES	£ 1984	£	£ 1983	£
<u>FIXED ASSETS</u>					
TANGIBLE ASSETS	10		48019		45115
INVESTMENTS	12		15241		17241
			63260		62356
<u>CURRENT ASSETS</u>					
Debtors	13	479465		460985	
Cash at Bank and in Hand		1813		1298	
		481278		462283	
CREDITORS - amounts falling due within one year	14	(509836)		(507381)	
NET CURRENT (LIABILITIES)			(28558)		(45098)
TOTAL ASSETS LESS CURRENT LIABILITIES			34702		17258
CREDITORS - amounts falling due after more than one year	14	(13765)		(7157)	
PROVISIONS FOR LIABILITIES					
Deferred Taxation	15	(3796)		(7107)	
			(17561)		(14264)
			£ 17141		£ 2994
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	17		20000		20000
Profit and Loss Account	18		(2859)		(17006)
			£ 17141		£ 2994
Approved by the Board on					
18/2/85					
1985					
) DIRECTORS					

ACTIVAIR LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1984

	NOTES	1984	1983
		£	£
TURNOVER	2	3512871	2714659
COST OF SALES		(2921282)	(2269328)
GROSS PROFIT		591589	445331
ADMINISTRATION EXPENSES		(526537)	(385792)
OTHER INCOME	5	65052	59539
INTEREST PAYABLE AND SIMILAR CHARGES	6	339 (16904)	197 (19029)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	48487	40707
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	(11322)	(9323)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		37165	31384
MINORITY INTEREST		(897)	(250)
		36268	31134
EXTRAORDINARY ITEM	9	16613	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		£ 19655	£ 31134

AS AT 31ST MAY 1984

	NOTES	£ 1984	£	£ 1983	£
<u>FIXED ASSETS</u>					
Tangible Assets	10		62271		57525
Intangible Assets	11		5489		5489
			67760		63014
<u>CURRENT ASSETS</u>					
Debtors	13	549880		505071	
Cash at Bank and in Hand		7883		2387	
		557763		507458	
CREDITORS - amounts falling due within one year	14	(579528)		(550973)	
NET CURRENT (LIABILITIES)			(21765)		(43515)
TOTAL ASSETS LESS CURRENT LIABILITIES			45995		19499
CREDITORS - amounts falling due after more than one year	14	(13765)		(7157)	
PROVISIONS FOR LIABILITIES					
Deferred Taxation	15	(3796)	(17561)	(7107)	(14264)
			£ 28434		£ 5235
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	17	20000		20000	
Profit and Loss Account	18	5502	25502	(16430)	3570
			2932		1665
<u>MINORITY INTEREST</u>			£ 28434		£ 5235
<p>Approved by the Board on</p> <p>..... 13/2/85 1985</p> <p><i>[Signature]</i>)</p> <p><i>[Signature]</i>) DIRECTORS</p>					

ACTIVAIR LIMITED

NOTES AND ACCOUNTING POLICIES

YEAR ENDED 31ST MAY 1984

1. ACCOUNTING POLICIES

The principal accounting policies of the Group and the Company, which have remained unchanged from the previous year, are set out below:

a) Accounting Convention

The Accounts have been prepared under the Historical Cost Convention.

b) Consolidation

The Consolidated Accounts incorporate the Accounts of the Company and those of its subsidiaries all of which are made up to 31st May 1984. The excess of the purchase price over the value of the net assets of the subsidiary Companies at the date of acquisition is included in the Consolidated Balance Sheet as Goodwill on Consolidation.

c) Tangible Fixed Assets and Depreciation

Depreciation is provided on the straight line basis at the following rates:

	<u>1984</u>	<u>1983</u>
Motor Vehicles	25%	25%
Equipment and Fixtures	20%	20%
Leasehold Premises	Over term of Lease	Over term of Lease

d) Foreign Currencies

Transactions arising in Foreign Currencies during the year are converted at exchange rates approximating to those ruling at the date the transaction occurred. Outstanding items at the Balance Sheet date are converted at exchange rates approximating to those ruling at the Balance Sheet date. Exchange differences are taken to the Profit and Loss Account.

The difference on exchange arising from the retranslation of the opening net investment in a subsidiary Company and from the translation of the results of that Company at the closing rate are taken to reserves.

e) Deferred Taxation

Provision is made for deferred taxation using the liability method, at the rate of corporation tax ruling at the year end except where there is reasonable probability that such taxation will not become payable in the next three years or thereafter so far as can reasonably be foreseen.

f) Turnover

Turnover represents sales made less trade discounts allowed and excluding value added tax.

2. TURNOVER

The Company engages in only one class of business.
The analysis of turnover by geographical market was as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
United Kingdom	2768033	2322301	2768033	2322301
Hong kong	744838	392358	-	-
	<u>£ 3512871</u>	<u>£ 2714659</u>	<u>£ 2768033</u>	<u>£ 2322301</u>
	=====	=====	=====	=====

ACTIVAIR LIMITED

NOTES AND ACCOUNTING POLICIES CONT.

3. STAFF COSTS

	<u>1984</u>	<u>1983</u>
<u>COMPANY</u>		
Aggregate Gross Wages and		82583
Salaries (excluding Directors)	85587	13273
Social Security Costs	13626	3437
Other Costs	<u>5744</u>	<u>=====</u>
	£ 104957	£ 99293
	<u>=====</u>	<u>=====</u>
Average number employed		12
in year (excluding Directors)	15	<u>=====</u>

4. DIRECTORS' EMOLUMENTS

GROUP AND COMPANY

Directors' emoluments, excluding Pension Contributions, were as follows:

	<u>1984</u>	<u>1983</u>
Chairman	31808	17807
Highest Paid Director	<u>29734</u>	<u>15753</u>
	<u>=====</u>	<u>=====</u>

Emoluments of other Directors fell within the following ranges:

£15001 - £20000	-	1
£25001 - £30000	<u>1</u>	<u>=====</u>
	<u>=====</u>	<u>=====</u>

5. OTHER INCOME

Interest on Deposit Held
Bank Interest

	<u>1984</u>	<u>GROUP</u> <u>1983</u>	<u>1984</u>	<u>COMPANY</u> <u>1983</u>
	264	197	264	197
	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>
	£ 339	£ 197	£ 264	£ 197
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

Bank Interest and Charges

	<u>1984</u>	<u>GROUP</u> <u>1983</u>	<u>1984</u>	<u>COMPANY</u> <u>1983</u>
	£ 16904	£ 19029	£ 16805	£ 19029
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

7. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The Profit on ordinary activities before Taxation is after charging:

Directors' Emoluments (Note 4)

Salaries

Other Emoluments (including Pension contributions)

	<u>1984</u>	<u>GROUP</u> <u>1983</u>	<u>1984</u>	<u>COMPANY</u> <u>1983</u>
	87750	48701	87750	48701
	<u>20000</u>	<u>-</u>	<u>20000</u>	<u>-</u>
	£ 107750	£ 48701	£ 107750	£ 48701
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

ACTIVAIR LIMITED

NOTES AND ACCOUNTING POLICIES CONT.

7. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

		<u>GROUP</u>		<u>COMPANY</u>
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
Auditors' Remuneration	£ 2750	£ 3000	£ 2750	£ 3000
Depreciation	£ 25780	£ 22279	£ 21500	£ 19574
Hire of Plant and Machinery	£ 6407	£ 6981	£ 6407	£ 6981
	=====	=====	=====	=====

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

<u>GROUP AND COMPANY</u>	<u>1984</u>	<u>1983</u>
Corporation Tax on the taxable profit for the year at 30% (1983 38%)	14633	2777
Deferred Taxation	(3311)	7107
Interest Received on Corporation Tax Recovered	-	(561)
	£ 11322	£ 9323
	=====	=====

9. EXTRAORDINARY ITEM

GROUP AND COMPANY

This represents an investment which was written off in Activair Manchetts Limited, as that Company has ceased trading and may be analysed as follows:

Cost of Investment	2000
Balance due from Activair Manchetts	14613
	=====
	£ 16613
	=====

10. FIXED ASSETS - TANGIBLE

<u>GROUP</u>	<u>LEASEHOLD PREMISES</u>	<u>FURNITURE FIXTURES & EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
<u>COST</u>				
Cost at 31st May 1983	17362	36062	63526	116950
Additions at Cost	-	11348	21981	33329
Cost of Disposals	-	(2600)	(10255)	(12855)
	17362	44810	75252	137424
Exchange rate adjustments	-	135	682	817
Cost at 31st May 1984	£ 17362	£ 44945	£ 75934	£ 138241
	=====	=====	=====	=====
<u>DEPRECIATION</u>				
Balance at 31st May 1983	2473	18069	38883	59425
Disposals during year	-	(1560)	(7916)	(9476)
Charge for Year	744	7167	17869	25780
	3217	23676	48836	75729
Exchange rate adjustment	-	51	190	241
Balance at 31st May 1984	£ 3217	£ 23727	£ 49026	£ 75970
	=====	=====	=====	=====
<u>NET BOOK VALUE</u>				
As at 31st May 1983	£ 14889	£ 17993	£ 24643	£ 57525
	=====	=====	=====	=====
As at 31st May 1984	£ 14145	£ 21218	£ 26908	£ 62271
	=====	=====	=====	=====

ACTIVAIR LIMITED

NOTES AND ACCOUNTING POLICIES CONT.

10. FIXED ASSETS - TANGIBLE

<u>COMPANY</u>	<u>LEASEHOLD PREMISES</u>	<u>FURNITURE FIXTURES & EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
<u>COST</u>				
Cost at 31st May 1983	17362	33172	48783	99317
Additions at Cost	-	8807	17785	26592
Cost of Disposals	-	(2600)	(4590)	(7190)
Cost at 31st May 1984	£ 17362	£ 39379	£ 61978	£ 118719
<u>DEPRECIATION</u>				
Balance at 31st May 1983	2473	16966	34763	54202
Disposals during year	-	(1560)	(3442)	(5002)
Charge for year	744	6713	14043	21500
Balance at 31st May 1984	£ 3217	£ 22119	£ 45364	£ 70700
<u>NET BOOK VALUE</u>				
As at 31st May 1983	£ 14889	£ 16206	£ 14020	£ 45115
As at 31st May 1984	£ 14145	£ 17260	£ 16614	£ 48019

11. INTANGIBLE ASSETS

GROUP

This represents Goodwill on Consolidation of Subsidiary Companies amounting to £5489.

12. INVESTMENTS

COMPANY

The Company owns the following subsidiary Companies:

<u>NAME</u>	<u>COUNTRY OF INCORPORATION</u>	<u>HOLDING</u>	<u>PERCENTAGE HELD</u>
Activair Hong Kong Limited	HONG KONG	Ordinary Shares	86%
Activair Travel Limited	UNITED KINGDOM	Ordinary Shares	100%

On 31st August 1984 the Company acquired an 80% holding in Activair Pacific PTY Limited a Company incorporated in Australia.

13. DEBTORS

	<u>1984</u>	<u>GROUP 1983</u>	<u>1984</u>	<u>COMPANY 1983</u>
Trade Debtors	456509	381301	353759	317274
Other Debtors	15501	44893	14440	44614
Prepayments and Accrued Income	77870	78877	73016	75611
Due from Subsidiary Company	-	-	38250	23486
	£ 549880	£ 505071	£ 479465	£ 460985

ACTIVAIR LIMITED

NOTES AND ACCOUNTING POLICIES CONT.

14.	<u>CREDITORS</u>	1984	<u>GROUP</u> 1983	1984	<u>COMPANY</u> 1983
	Amounts falling due within one year:				
	Bank Loan and Overdraft	176786	187527	176786	187527
	Trade Creditors	324747	285833	266848	253674
	Due to Group Companies	-	-	11	-
	Corporation Tax	14554	2426	14554	2426
	Other Taxation and Social Security	5268	16130	5268	16130
	Accruals	31480	41580	26302	37763
	Directors Loan Accounts	11800	-	11800	-
	Hire Purchase Accounts	<u>14893</u>	<u>17477</u>	<u>8267</u>	<u>9861</u>
		£ 579528	£ 550973	£ 509836	£ 507381
		=====	=====	=====	=====
	Amounts falling due after more than one year:				
	Hire Purchase Accounts	£ 13765	£ 7157	£ 13765	£ 7157
		=====	=====	=====	=====
15.	<u>DEFERRED TAXATION</u>				
	<u>GROUP AND COMPANY</u>				
	At 31st May 1983	7107			
	Charged to Profit and Loss Account	(3311)			
	At 31st May 1984	<u>£ 3796</u>			
		=====			
	Deferred Taxation has been fully provided in respect of:				
			<u>1984</u>		<u>1983</u>
	Accelerated Capital Allowances		£ 3796		£ 7107
			=====		=====
16.	<u>BANK OVERDRAFT</u>				
	The Bank overdraft is secured on the Assets of the Company by a floating charged created on 27th February 1982.				
17.	<u>CALLED UP SHARE CAPITAL</u>				
	There was no change in Share Capital during the year.				
		<u>Authorised</u>	<u>Allotted & Fully Paid</u>		
	Ordinary Shares of £1 each	£ 20000	£ 20000		
		=====	=====		
18.	<u>PROFIT AND LOSS ACCOUNT</u>				
	<u>GROUP</u>		<u>TOTAL</u>		
	At 31st May 1983		(16430)		
	Exchange difference on re translation of net investment		<u>1724</u>		
			(14706)		
	Retained Profit for the Financial year		19655		
	Exchange Gain		<u>553</u>		
	At 31st May 1984		£ 5502		
			=====		
	<u>COMPANY</u>		(17006)		
	At 31st May 1983		<u>14147</u>		
	Retained Profit for the financial year		£ (2859)		
	At 31st May 1984				

ACTIVAIR LIMITED

STATEMENT OF GROUP SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31ST MAY 1984

	£	£
<u>SOURCE OF FUNDS</u>		
Net profit before Taxation		48487
Adjustments for items not involving the movement of funds		
Depreciation	25780	
Profit/(Loss) on Sale of Assets	(2882)	
Exchange Gains	2072	24970
<u>TOTAL GENERATED FROM OPERATIONS</u>		<u>73457</u>
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds from Sale of Fixed Assets	6260	6260
		<u>79717</u>
<u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	33329	
Corporation Tax Paid	2505	
Extraordinary Item	14613	50447
		<u>£ 29270</u>
		=====
Represented by		
<u>MOVEMENT IN WORKING CAPITAL</u>		
Increase/(Decrease) in Debtors		46809
(Increase)/Decrease in Creditors		(33776)
		<u>13033</u>
Net Movement in Liquid Funds		16237
Increase(Decrease)in Cash at Bank and in Hand		<u>£ 29270</u>
		=====

ACTIVAIR LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSYEAR ENDED 31ST MAY 1984

		<u>1984</u>		<u>1983</u>
	£	£	£	£
<u>SOURCE OF FUNDS</u>				
Net profit before Taxation		42082		38921
Adjustments for items not involving the movement of Funds				
Depreciation	21500		19574	
(Profit)/Loss on Sale of Assets	(2812)	18688	291	19865
<u>TOTAL GENERATED FROM OPERATIONS</u>		60770		58786
<u>FUNDS FROM OTHER SOURCES</u>				
Proceeds from Sale of Assets	5000		1435	
Corporation Tax received	-	5000	9030	10465
		65770		69251
<u>APPLICATION OF FUNDS</u>				
Purchase of Fixed Assets	26592		10394	
Increase in Investments	-		3902	
Corporation Tax Paid	2505		-	
Extraordinary Item	14613	43710	-	14296
		£ 22060		£ 54955
		=====		=====
Represented by:				
<u>MOVEMENT IN WORKING CAPITAL</u>				
Increase/(Decrease) in Debtors		18480		116411
(Increase)/Decrease in Creditors		(7676)		57812
		10804		174223
Net Movement in Liquid Funds:				
Increase/(Decrease) in Cash at Bank and in Hand		11256		(119268)
		£ 22060		£ 54955
		=====		=====

REPORT OF THE AUDITORS TO THE MEMBERS OF

ACTIVAIR LIMITED

In our opinion the foregoing Accounts together with the notes annexed thereto, which have been prepared under the Historical Cost Convention give a true and fair view of the state of the Company at 31st May 1984, and of the Profit of the Company and the Source and Application of Funds for the year ended on that date and comply with the Companies Acts 1948 to 1981 in so far as provisions of those Acts apply to these Accounts.

Clarks

CLARKS
Chartered Accountants
Cippenham Court
Cippenham Lane
Slough
Berkshire SL1 5AT

Dated: 1st February 1985