

**REGISTERED NUMBER: 01369940 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009  
FOR  
ACTIVAIR (UK) LTD**

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**for the Year Ended 31 December 2009**

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**COMPANY INFORMATION**  
**for the Year Ended 31 December 2009**

**DIRECTORS:**

M Fountain  
H Irigoyen  
S McWilliams  
G Corpe

**REGISTERED OFFICE:**

Unit 1  
Action Court  
Ashford Road  
Ashford  
Middlesex  
TW15 1XS

**REGISTERED NUMBER:**

01369940 (England and Wales)

**AUDITORS:**

Ernst & Young LLP, Statutory Auditor  
Apex Plaza  
1 Forbury Road  
Reading  
RG1 1YE

**SOLICITORS:**

Oury Clark Solicitors  
10 John Street  
London  
WC1 N2EB

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2009**

The directors present their report with the financial statements of the company for the year ended 31 December 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of international freight forwarders

**REVIEW OF BUSINESS**

Since Activair became part of OHL International which incorporates an expanded international network, it has enabled Activair to provide global logistics solutions to customers

The results for the period and financial position of the company are as shown in the annexed financial statements

During the period the performance of the company has remained strong For the twelve months ending 31 December 2009 UK turnover was £26 4 million (2008 £19 1million)

Direct costs decreased slightly in proportion to turnover for the period, resulting in an increased gross profit percentage of 34% Despite the increased gross profit percentage the profit before tax for the 12 months ending 31 December 2009 was £1 5 million, equal to the profit before tax for the 7 months ending 31 December 2008 of £1 5million This is mainly due to the increased operating expenses incurred in the period

The company continues to provide services in air, sea and road at the forefront of the freight forwarding industry With continued investment throughout the year in both IT system and infrastructure and people skill, it has ensured that the company can deliver quality services to customers

The business continues to deliver an exceptional performance in what is a competitive market place However, by continuing to focus on its strengths - superior service to our customers, although the economic downturn will have some effect to the business it is anticipated that the diversity of business across different sectors will help to maintain the company to stay in a strong position within the market place

The company monitors its performance through the use of Key Performance Indicators (KPI's) A number of Key Performance Indicators are employed - GP%, NP%, turnover/yield ratio together with volume throughput Monthly management accounts are utilised to monitor these (KPI's) and these are reviewed in comparison to prior year periods and budgets Any adverse trends are identified at an early stage and investigated

The directors of the company continually monitor the risks that pose the greatest threat to the company These risks include

Sales risk (analysis of market trends and key regions of growth throughout the world)

Staff risk (the risk to the business of recruiting and retaining the right staff)

Competition risk (the risk of competitors entering or eroding the market place)

The directors have not identified any uncertainties that might effect the operations of the business in the future

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2009

**FIXED ASSETS**

Movements in fixed assets are disclosed in note seven to the Financial Statements

**FUTURE DEVELOPMENTS**

With, Activair (UK) Limited becoming part of OHL this will facilitate further growth within , our core products within the publishing industry, and provided a complimentary service, within supply chain solutions, for the rest of the commercial sector

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2009**

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

M Fountain  
H Irigoyen  
S McWilliams

Other changes in directors holding office are as follows

G Corpe - appointed 1 November 2009

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 these 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Ernst & Young LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



H Irigoyen - Director

Date

3/8/10

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ACTIVAIR (UK) LTD**

We have audited the financial statements of Activair (UK) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. 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 members, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 the 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 31 December 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.

*Ernst & Young LLP*

Kevin Harkin (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading

Date 3 August 2010

**PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 December 2009**

	Notes	Year Ended 31 12 09		Period 1 6 08 to 31 12 08	
		£	£	£	£
<b>TURNOVER</b>	2		26,415,049		19,184,699
Cost of sales			<u>17,407,297</u>		<u>13,092,204</u>
<b>GROSS PROFIT</b>			9,007,752		6,092,495
Distribution costs		90,588		85,244	
Administrative expenses		<u>7,424,331</u>		<u>4,520,843</u>	
			<u>7,514,919</u>		<u>4,606,087</u>
			1,492,833		1,486,408
Other operating income			<u>40,280</u>		<u>38,812</u>
<b>OPERATING PROFIT</b>	4		1,533,113		1,525,220
Interest receivable and similar income			<u>227</u>		<u>-</u>
			1,533,340		1,525,220
Interest payable and similar charges	5		<u>46,409</u>		<u>14,381</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,486,931		1,510,839
Tax on profit on ordinary activities	6		<u>(190,008)</u>		<u>435,416</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>1,676,939</u>		<u>1,075,423</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period

**ACTIVAIR (UK) LTD (REGISTERED NUMBER: 01369940)**

**BALANCE SHEET**  
**31 December 2009**

	Notes	31 12 09 £	31 12 08 £
<b>FIXED ASSETS</b>			
Tangible assets	7	484,736	370,164
<b>CURRENT ASSETS</b>			
Stocks	8	44,260	-
Debtors amounts falling due within one year	9	5,113,728	6,093,332
Debtors amounts falling due after more than one year	9	924,106	-
Cash at bank and in hand		<u>2,301,481</u>	<u>2,013,689</u>
		8,383,575	8,107,021
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>4,305,402</u>	<u>5,655,920</u>
<b>NET CURRENT ASSETS</b>		<u>4,078,173</u>	<u>2,451,101</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,562,909	2,821,265
<b>PROVISIONS FOR LIABILITIES</b>	12	<u>64,705</u>	-
<b>NET ASSETS</b>		<u>4,498,204</u>	<u>2,821,265</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	20,000	20,000
Profit and loss account	14	<u>4,478,204</u>	<u>2,801,265</u>
<b>SHAREHOLDERS' FUNDS</b>	18	<u>4,498,204</u>	<u>2,821,265</u>

The financial statements were approved by the Board of Directors on its behalf by



H Irigoyen - Director



M Fountain - Director

3/8/10

and were signed on

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2009**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

**Cash flow statement exemption**

Exemption has been taken from preparing a cash flow statement under FRS1 on the grounds that the intermediate parent company, OH Logistics International (UK) Limited, is preparing consolidated financial statements

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax, derived from the provision of services in respect of the company's principal activity of freight forwarding during the year

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Short leasehold	- over remaining term of lease
Plant and machinery	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost

**Stocks**

Work in progress is valued at the lower of cost and net realisable value

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

**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 transaction Exchange differences are taken into account in arriving at the operating result

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**Onerous Lease Provision**

The company follows the guidance in FRS 12 in accounting for operating lease contracts that become onerous An onerous contract is a contract in which the unavoidable costs of meeting the obligations under it exceed the economic benefits expected to be received The unavoidable costs under a contract reflect the least net cost of exiting from the contract At the time an operating lease contract becomes onerous the present obligation under the contract is recognised and measured as a provision, net of estimates of future income that could be generated by subleasing the related facility to another party The provision is re-measured in subsequent periods for changes in circumstances or other factors that require re-measurement Before a separate provision for an onerous contract is established, the company recognises any impairment loss that has occurred on assets dedicated to that contract

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2009

**1 ACCOUNTING POLICIES - continued**

**Deferred taxation**

FRS 19 "Deferred tax" requires deferred tax to be provided on all material timing differences, arising from the different treatment for accounts and tax purposes of transactions and events recognised in the financial statements of the current and previous years. Deferred taxation is calculated at the rates at which it is estimated that the tax will arise.

Deferred taxation is not provided in respect of timing differences arising from the revaluation of fixed assets unless it is likely that the gain will not be rolled over.

**2 TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

The directors have not complied with either SSAP 25 or the Companies Act 2006, Section 68 of Schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and Reports Regulations) 2008 as regards the disclosure of segmental information. The company carries on three classes of business, being that of airfreight, seafreight and road freight forwarding. Geographically the company can be divided into four major sectors, the United Kingdom, North America, Far East and Oceania. The nature of the trade of the company is such that the separation of turnover, profit and net assets by geographical area would be difficult, time consuming and expensive and provide little additional information to users of the financial statements.

In addition the directors are of the opinion that divulgence of the geographical split of the company's operations to competitors could be prejudicial to the company.

**3 STAFF COSTS**

	Year Ended 31 12 09 £	Period 1 6 08 to 31 12 08 £
Wages and salaries	3,968,799	2,394,650
Social security costs	430,916	275,311
Other pension costs	<u>68,535</u>	<u>42,559</u>
	<u><b>4,468,250</b></u>	<u><b>2,712,520</b></u>

The average monthly number of employees during the year was as follows

	Year Ended 31 12 09	Period 1 6 08 to 31 12 08
Sales and Administration	<u>151</u>	<u>150</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2009

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Year Ended 31 12 09 £	Period 1 6 08 to 31 12 08 £
Hire of plant and machinery	273,451	97,800
Depreciation - owned assets	132,401	90,482
(Profit)/Loss on disposal of fixed assets	(4,887)	3,154
Auditors' remuneration	110,391	68,985
Foreign exchange differences	(38,415)	(8,720)
Operating lease rent paid	<u>560,951</u>	<u>323,879</u>
Directors' remuneration	<u>-</u>	<u>-</u>

The Directors' emoluments are borne by another group company

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 12 09 £	Period 1 6 08 to 31 12 08 £
Bank interest	36,636	14,457
Other interest	9,773	-
Hire purchase	<u>-</u>	<u>(76)</u>
	<u>46,409</u>	<u>14,381</u>

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	Year Ended 31 12 09 £	Period 1 6 08 to 31 12 08 £
Current tax		
UK corporation tax	-	435,416
Tax (over)/underprovision	<u>(190,008)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(190,008)</u>	<u>435,416</u>

UK corporation tax has been charged at 28%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2009**

**6 TAXATION - continued****Factors affecting the tax (credit)/charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31 12 09 £	Period 1 6 08 to 31 12 08 £
Profit on ordinary activities before tax	<u>1,486,931</u>	<u>1,510,839</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%)	416,341	423,035
Effects of		
Depreciation in excess of capital allowances	-	1,473
Revenue items capitalised	(1,747)	-
Expenses disallowed	13,612	10,908
Profit on disposal assets	(1,368)	-
Tax overprovision 2008	(190,008)	-
Capital allowances in excess of depreciation	(9,638)	-
Group relief	<u>(417,200)</u>	<u>-</u>
Current tax (credit)/charge	<u>(190,008)</u>	<u>435,416</u>

**7 TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2009	201,723	307,164	103,782	712,539	1,325,208
Additions	62,766	59,792	55,000	74,342	251,900
Disposals	<u>-</u>	<u>(8,792)</u>	<u>(38,494)</u>	<u>-</u>	<u>(47,286)</u>
At 31 December 2009	<u>264,489</u>	<u>358,164</u>	<u>120,288</u>	<u>786,881</u>	<u>1,529,822</u>
<b>DEPRECIATION</b>					
At 1 January 2009	95,933	233,415	58,186	567,510	955,044
Charge for year	17,053	35,069	19,644	60,635	132,401
Eliminated on disposal	<u>-</u>	<u>(8,792)</u>	<u>(33,567)</u>	<u>-</u>	<u>(42,359)</u>
At 31 December 2009	<u>112,986</u>	<u>259,692</u>	<u>44,263</u>	<u>628,145</u>	<u>1,045,086</u>
<b>NET BOOK VALUE</b>					
At 31 December 2009	<u>151,503</u>	<u>98,472</u>	<u>76,025</u>	<u>158,736</u>	<u>484,736</u>
At 31 December 2008	<u>105,790</u>	<u>73,749</u>	<u>45,596</u>	<u>145,029</u>	<u>370,164</u>

**8 STOCKS**

	31 12 09 £	31 12 08 £
Work-in-progress	<u>44,260</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2009

9 DEBTORS

	31 12 09 £	31 12 08 £
Amounts falling due within one year		
Trade debtors	3,640,787	5,813,564
Amounts owed by group undertakings	1,088,279	21,858
Other debtors	-	44,206
Corporation tax	25,122	-
VAT	43,145	-
Prepayments and accrued income	<u>316,395</u>	<u>213,704</u>
	<u>5,113,728</u>	<u>6,093,332</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>924,106</u>	<u>-</u>
	<u>924,106</u>	<u>-</u>
Aggregate amounts	<u>6,037,834</u>	<u>6,093,332</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09 £	31 12 08 £
Trade creditors	2,968,977	3,574,304
Amounts owed to group undertakings	706,082	813,477
Corporation tax	-	435,416
Social security and other taxes	215,840	150,416
VAT	-	283,088
Other creditors	280,571	15,845
Accruals & deferred income	<u>133,932</u>	<u>383,374</u>
	<u>4,305,402</u>	<u>5,655,920</u>

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Land and buildings
	31 12 09 £	31 12 08 £
Expiring		
Between one and five years	-	558,080
In more than five years	<u>484,600</u>	<u>-</u>
	<u>484,600</u>	<u>558,080</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2009

12 PROVISIONS FOR LIABILITIES

	31 12 09	31 12 08
	£	£
Other provisions	<u>64,705</u>	<u>-</u>
		Other provisions
		£
Onerous lease provision		<u>64,705</u>
Balance at 31 December 2009		<u>64,705</u>

The provision is not discounted and covers a period of 4 years from balance sheet date

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 12 09	31 12 08
Number	Class	Nominal value	£	£
20,000	Ordinary	£1	20,000	20,000
NIL			<u>-</u>	<u>-</u>
			<u>20,000</u>	<u>20,000</u>

14 RESERVES

	Profit and loss account
	£
At 1 January 2009	2,801,265
Profit for the year	<u>1,676,939</u>
At 31 December 2009	<u>4,478,204</u>

15 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions paid by the company to this fund amounted to £68,535 (2008 - £42,559) in the period.

16 ULTIMATE PARENT COMPANY

The company's immediate parent company is Activair Limited, a company incorporated in England & Wales. Activair (UK) Limited and Activair Limited share the same registered office and copies of group accounts can be obtained from the address on page 1.

The company's ultimate parent company at year end was OH Logistics International Holdings Inc. As a result of internal reorganisation during April 2010 the ultimate parent company is OHH Acquisition Corporation. Both of these entities are incorporated in USA.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2009**

**17 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption contained in FRS8 not to disclose transactions between itself and OH Logistics International Holdings Inc and other wholly owned subsidiaries

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 09	31 12 08
	£	£
Profit for the financial year	<u>1,676,939</u>	<u>1,075,423</u>
Net addition to shareholders' funds	1,676,939	1,075,423
Opening shareholders' funds	<u>2,821,265</u>	<u>1,745,842</u>
Closing shareholders' funds	<u>4,498,204</u>	<u>2,821,265</u>