

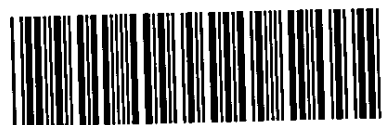
REGISTERED NUMBER: 00401523

**AIR AND CARGO SERVICES LIMITED**

**FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2008**

CROUCH CHAPMAN  
Chartered Accountants  
62 Wilson Street  
London EC2A 2BU

THURSDAY



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# AIR AND CARGO SERVICES LIMITED

## COMPANY INFORMATION

### DIRECTORS

R. E. C. McCarthy  
R. A. Winmill  
P. D. Shotter

### COMPANY SECRETARY

R. A. Winmill

### COMPANY NUMBER

00401523

### REGISTERED OFFICE

Air and Cargo Services Limited  
Unit 24 Cobham Way  
Crawley  
Sussex  
RH10 9RX

### AUDITORS

Crouch Chapman  
Chartered Accountants & Registered Auditors  
62 Wilson Street  
London  
EC2A 2BU

### BANKERS

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

## AIR AND CARGO SERVICES LIMITED

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## AIR AND CARGO SERVICES LIMITED

### DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 September 2008. This report has been prepared under applicable legislation, including those provisions of the Companies Act 2006 as enacted by the Companies Act 2006 (Commencement No. 1, Transitional Provisions and Savings) Order 2006.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 proper accounting records that 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 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.

### PRINCIPAL ACTIVITIES

The company's principal activity during the year continued to be that of freight forwarders.

### BUSINESS REVIEW

The directors consider the results for the year to be satisfactory and are confident of improved results for the future.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £98,156 (2007 - £275,138).

On 30th September 2008 the directors' declared a dividend of £80,000 (2007 - £218,000).

# AIR AND CARGO SERVICES LIMITED

## DIRECTORS' REPORT

### DIRECTORS

The directors who served during the year were:

R. E. C. McCarthy  
R. A. Winmill  
P. D. Shotter

The Secretary who held office during the year was R. A. Winmill.

### PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### AUDITORS

The auditors, Crouch Chapman, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *27<sup>th</sup> April 2009* and signed on its behalf.

*R. A. Winmill*  
.....  
Director

Air and Cargo Services Limited  
Unit 24 Cobham Way  
Crawley  
Sussex  
RH10 9RX

## AIR AND CARGO SERVICES LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR AND CARGO SERVICES LIMITED

We have audited the financial statements of Air and Cargo Services Limited for the year ended 30 September 2008, set out on pages 5 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an Auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

AIR AND CARGO SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR AND CARGO SERVICES LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



CROUCH CHAPMAN

Chartered Accountants  
Registered Auditors

62 Wilson Street  
London  
EC2A 2BU

Date: 27<sup>th</sup> April 2009

## AIR AND CARGO SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 £	2007 £
TURNOVER	1,2	35,986,262	35,613,521
Cost of sales		<u>(31,290,722)</u>	<u>(30,742,755)</u>
GROSS PROFIT		4,695,540	4,870,766
Administrative expenses		<u>(4,614,218)</u>	<u>(4,533,832)</u>
Other income	3	<u>71,880</u>	<u>71,880</u>
OPERATING PROFIT	4	153,202	408,814
Interest receivable		1,262	4,015
Interest payable	7	<u>(881)</u>	<u>(89)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		153,583	412,740
Tax on profit on ordinary activities	8	<u>(55,427)</u>	<u>(137,602)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u><u>98,156</u></u>	<u><u>275,138</u></u>

### CONTINUING OPERATIONS

None of the company's activities have been acquired or discontinued during the above two financial years.

### RECOGNISED GAINS AND LOSSES

The company has no other recognised gains or losses other than those shown in the profit and loss account for the above two financial periods.

The notes on pages 8 to 17 form part of these financial statements.



# AIR AND CARGO SERVICES LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 2008

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	9		61,885		126,885
Tangible fixed assets	10		154,487		149,277
			<u>216,372</u>		<u>276,162</u>
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due after more than one year	11	2,481,599		2,452,968	
Debtors: amounts falling due within one year	11	3,880,357		3,857,211	
Investments	12	1,873		1,873	
Cash at bank and in hand		227,925		125,237	
		<u>6,591,754</u>		<u>6,437,289</u>	
CREDITORS: amounts falling due within one year	13	(4,739,244)		(4,662,186)	
NET CURRENT ASSETS			<u>1,852,510</u>		<u>1,775,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,068,882</u>		<u>2,051,265</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	14		-		(539)
NET ASSETS			<u>2,068,882</u>		<u>2,050,726</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100,000		100,000
Profit and loss account	16		1,968,882		1,950,726
SHAREHOLDERS' FUNDS	17		<u>2,068,882</u>		<u>2,050,726</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27<sup>th</sup> April 2009

R.A. Winnell  
Director

The notes on pages 8 to 17 form part of these financial statements.

# AIR AND CARGO SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 £	2007 £
Net cash flow from operating activities	18	394,508	152,061
Returns on investments and servicing of finance	19	381	3,926
Taxation		(145,976)	(189,246)
Capital expenditure and financial investment	19	(67,247)	241,243
Equity dividends paid		(80,000)	(218,000)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>101,666</u>	<u>(10,016)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008 £	2007 £
Increase/(Decrease) in cash in the year	<u>101,666</u>	<u>(10,016)</u>
MOVEMENT IN NET DEBT IN THE YEAR	101,666	(10,016)
Net funds at 1 October 2007	<u>106,573</u>	<u>116,589</u>
NET FUNDS AT 30 SEPTEMBER 2008	<u>208,239</u>	<u>106,573</u>

The notes on pages 8 to 17 form part of these financial statements.

## AIR AND CARGO SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

#### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the important policies, which have been applied consistently, is set out below:

##### Basis of preparation of financial statements

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

##### Turnover

Turnover comprises revenue recognised by the company in respect of freight forwarding services to clients and disbursements made on their behalf, exclusive of Value Added Tax and trade discounts. Included within these disbursements are charges for customs duty and import value added tax, which amounts to £21,089,958 (2007:£20,616,034)

##### Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

##### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	10%	on cost
Plant & machinery	-	20%	on cost
Motor vehicles	-	25%	on cost

##### Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases") the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on leased assets is charged to the profit and loss account on the same basis as shown above.

Leasing payments are treated as consisting of capital and interest elements, and interest is charged to the profit and loss account on an actuarial basis.

All other leases are treated as "operating leases" and the relevant annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

##### Deferred taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money.

## AIR AND CARGO SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

#### 1. ACCOUNTING POLICIES (continued)

##### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### Consolidated financial statements

- The financial statements contain information about Air and Cargo Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it headed at the end of the year qualified as a medium-sized group.

#### 2. TURNOVER

The whole of the turnover is attributable to freight forwarding services.

All turnover arose within the United Kingdom.

#### 3. OTHER OPERATING INCOME

	2008 £	2007 £
Rent receivable	<u>71,880</u>	<u>71,880</u>

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2008 £	2007 £
Amortisation - intangible fixed assets	65,000	65,000
Depreciation of tangible fixed assets:		
- owned by the company	70,737	74,172
Auditors' remuneration	16,758	15,500
Operating lease rentals:		
- other operating leases	234,365	241,330
Difference on foreign exchange	8,363	(3,126)
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2007 - £NIL).

### 5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	1,944,132	1,984,156
Social security costs	143,566	175,312
Other pension costs	31,454	21,980
	<u>          </u>	<u>          </u>
	<u>2,119,152</u>	<u>2,181,448</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2008 No.	2007 No.
Directors	3	3
Administration	59	60
	<u>          </u>	<u>          </u>
	<u>62</u>	<u>63</u>

### 6. DIRECTORS' REMUNERATION

During the year retirement benefits were accruing to 2 directors (2007 - 2) in respect of money purchase pension schemes.

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 7. INTEREST PAYABLE

	2008 £	2007 £
On bank loans and overdrafts	770	60
Other interest payable	111	29
	<u>881</u>	<u>89</u>

### 8. TAXATION

	2008 £	2007 £
<u>Analysis of tax charge in the year</u>		
<u>Current tax</u> (see note below)		
UK corporation tax charge on profit for the year	55,966	148,431
Adjustments in respect of prior periods	-	(2,314)
	<u>55,966</u>	<u>146,117</u>
<u>Total current tax</u>		
	55,966	146,117
<u>Deferred tax</u> (see note 14)		
Origination and reversal of timing differences	(539)	(8,515)
	<u>55,427</u>	<u>137,602</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK (28% and 30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>153,583</u>	<u>412,740</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% and 30% (2007 - 30%)	44,539	123,822
<u>Effects of:</u>		
Expenses not deductible for tax purposes	2,661	2,628
Depreciation for year in excess of capital allowances	3,467	9,076
Adjustments to tax charge in respect of prior periods	-	(2,314)
Amortisation of goodwill	18,850	19,500
Profit on disposal of fixed assets	(2,523)	(434)
Marginal relief	(11,028)	(6,161)
	<u>55,966</u>	<u>146,117</u>
<u>Current tax charge for the year</u> (see note above)		

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 8. TAXATION (continued)

#### Factors that may affect future tax charges

As at 30th September 2008 the company had a deferred tax asset of £7,672 which has not been recognised within the financial statements as the directors consider the amount to be immaterial.

### 9. INTANGIBLE FIXED ASSETS

	Goodwill £
<u>Cost</u>	
At 1 October 2007 and 30 September 2008	671,885
<u>Amortisation</u>	
At 1 October 2007	545,000
Charge for the year	65,000
At 30 September 2008	610,000
<u>Net book value</u>	
At 30 September 2008	61,885
At 30 September 2007	126,885

During the year ended 30th September 1999, Air & Cargo Services Limited purchased the entire issued ordinary share capital of the following trading companies incorporated in England and Wales:

Amex Interglobal Limited	Cargo World (International) Limited
Cargo World (Heathrow) Limited	Cargo World (North) Limited

After acquisition the assets, liabilities and trades of the above companies, were transferred into Air & Cargo Services Limited and the newly acquired companies became dormant.

For this reason, the costs of acquisition now represent the value of the newly acquired customer base of those acquired companies and are accordingly shown as an intangible asset "goodwill". The directors estimate that the goodwill has a useful life of 10 years and will be written off over this period.

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 10. TANGIBLE FIXED ASSETS

	Improvement to Leased Premises £	Plant, Equipment & machinery £	Motor vehicles £	Total £
<u>Cost</u>				
At 1 October 2007	169,132	766,948	70,627	1,006,707
Additions	28,059	47,888	-	75,947
Disposals	-	-	(33,907)	(33,907)
At 30 September 2008	197,191	814,836	36,720	1,048,747
<u>Depreciation</u>				
At 1 October 2007	133,736	672,630	51,064	857,430
Charge for the year	18,097	44,427	8,213	70,737
On disposals	-	-	(33,907)	(33,907)
At 30 September 2008	151,833	717,057	25,370	894,260
<u>Net book value</u>				
At 30 September 2008	45,358	97,779	11,350	154,487
At 30 September 2007	35,396	94,318	19,563	149,277

### 11. DEBTORS

	2008 £	2007 £
<u>Due after more than one year</u>		
Amounts owed by group undertakings	2,481,599	2,452,968
<u>Due within one year</u>		
Trade debtors	3,272,005	3,058,682
Value added tax	73,401	48,347
Other debtors	405,413	612,252
Prepayments and accrued income	129,538	137,930
	3,880,357	3,857,211

The amount owed by the parent company has no fixed date for repayment and is non-interest bearing.



# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 12. CURRENT ASSET INVESTMENTS

	2008 £	2007 £
At cost - Unlisted investments	<u>1,873</u>	<u>1,873</u>

### 13. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Bank overdraft (secured)	19,686	18,664
Trade creditors	4,285,578	3,736,252
Corporation tax	58,421	148,431
Advances under invoice discounting facility	-	248,503
Other creditors	110,732	107,451
Accruals and deferred income	264,827	402,885
	<u>4,739,244</u>	<u>4,662,186</u>

The bank overdraft facility is personally guaranteed by the directors up to the value of £200,000.

Air and Cargo Services Limited is party to a cross guarantee arrangement with Air and Cargo Services (Holdings) Limited, its parent company and all subsidiary undertakings in Barclays Bank Plc's standard form by way of debenture over the assets of all group companies.

### 14. DEFERRED TAXATION

	2008 £	2007 £
At beginning and end of year	<u>-</u>	<u>539</u>

The provision for deferred taxation is made up as follows:

	2008 £	2007 £
As at 1 October 2007	539	9,054
Released in the year	(539)	(8,515)
	<u>-</u>	<u>539</u>

AIR AND CARGO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2008

15. SHARE CAPITAL

	2008 £	2007 £
<u>Authorised</u>		
200,000 Ordinary shares shares of £1 each	200,000	200,000
<u>Allotted, called up and fully paid</u>		
100,000 Ordinary shares shares of £1 each	100,000	100,000

16. RESERVES

	Profit and loss account £
At 1 October 2007	1,950,726
Profit for the year	98,156
Dividends: Equity capital	(80,000)
At 30 September 2008	1,968,882

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	2,050,726	1,993,588
Profit for the year	98,156	275,138
Dividends	(80,000)	(218,000)
Closing shareholders' funds	2,068,882	2,050,726

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	153,202	408,814
Amortisation of intangible fixed assets	65,000	65,000
Depreciation of tangible fixed assets	70,737	74,172
Profit on disposal of tangible fixed assets	(8,700)	(1,446)
Increase in debtors	(51,779)	(457,803)
Increase in creditors	166,048	63,324
<u>Net cash inflow from operations</u>	394,508	152,061

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

### 19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2008 £	2007 £
<u>Returns on investments and servicing of finance</u>		
Interest received	1,262	4,015
Interest paid	(881)	(89)
	<hr/>	<hr/>
<u>Net cash inflow from returns on investments and servicing of finance</u>	<u>381</u>	<u>3,926</u>
	2008 £	2007 £
<u>Capital expenditure and financial investment</u>		
Purchase of tangible fixed assets	(75,947)	(44,154)
Sale of tangible fixed assets	8,700	2,000
Group undertakings loans repaid	-	283,397
	<hr/>	<hr/>
<u>Net cash (outflow)/inflow from capital expenditure</u>	<u>(67,247)</u>	<u>241,243</u>

### 20. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2007 £	Cash flow £	Other non-cash changes £	30 September 2008 £
Cash at bank and in hand:	125,237	102,688	-	227,925
Bank overdraft	(18,664)	(1,022)	-	(19,686)
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net funds</u>	<u>106,573</u>	<u>101,666</u>	<u>-</u>	<u>208,239</u>

### 21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,454 (2007 - £21,980). Contributions totalling £5,293 (2007 - £4,329) were payable to the fund at the balance sheet date and are included in creditors.

## AIR AND CARGO SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

#### 22. OPERATING LEASE COMMITMENTS

At 30 September 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
<u>Expiry date:</u>		
Between 2 and 5 years	68,150	68,150
After more than 5 years	157,200	157,200
	<u>          </u>	<u>          </u>

#### 23. FUTURE COMMITMENTS

The company is not committed to any future commitments other than those already disclosed in the financial statements.

#### 24. RELATED PARTY TRANSACTIONS

Mr P. Shotter, a Director, is a 20% shareholder in a company called Executive Flight Services (Gatwick) Limited. Air and Cargo Services Limited paid consultancy fees of £121,886 during the year ended 30th September 2008 (2007- £216,321) to the above company.

As at 30 September 2008, Executive Flight Services (Gatwick) Limited owed Air & Cargo Services Limited £Nil (2007 - £9,313).

The parent company Air & Cargo Services Holdings Limited owed Air & Cargo Services Limited £2,481,599 (2007 - £2,452,968) as at 30 September 2008. During the year Air & Cargo Services Holdings Limited charged £501,584 (2007 - £542,462) in respect of costs incurred on behalf of this company.

#### 25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Air & Cargo Services Limited is wholly owned by Air & Cargo Services (Holdings) Limited a company registered in England and Wales.

The shareholders of Air & Cargo Services (Holdings) Limited are the ultimate owners of Air & Cargo Services Limited. The ultimate parent company is controlled collectively by its shareholders with no one party having overall control.