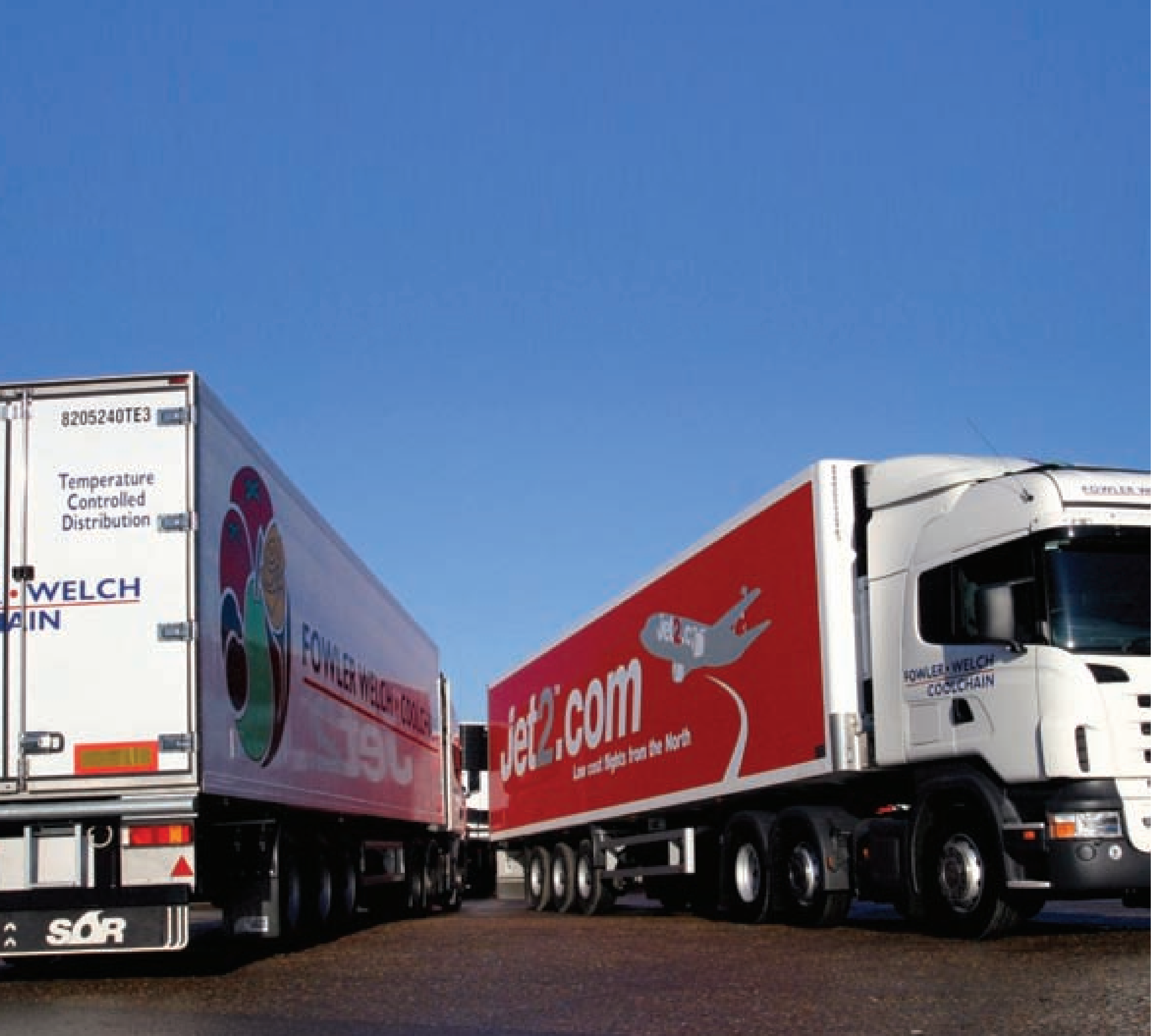
DART GROUP PLC

Report and Accounts 2009

DART GROUP PLC IS AN AVIATION SERVICES AND DISTRIBUTION GROUP SPECIALISING IN:

- the operation of scheduled and charter flights primarily to leisure destinations throughout Europe; and
- the distribution of fresh produce, temperature-controlled and ambient products to supermarkets and wholesale markets throughout the United Kingdom

For full details of the Group's activities please visit our websites — www.dartgroup.co.uk, www.jet2.com, www.jet2holidays.com and www.fowler-welch.co.uk



HIGHLIGHTS

+2%	+185%	+77%	£93.4M	£29M
Turnover	Pre-tax profits	Underlying EBITDA	Net assets	Cash generated

DART GROUP PLC

Jet2.com A great deal friendlier

Jet2holidays.com

FOWLER • WELCH • COOLCHAIN

For full details of the Group's activities please visit our websites – www.dartgroup.co.uk, www.jet2.com, www.jet2holidays.com and www.fowler-welch.co.uk

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Chairman's Statement
Philip Meeson

I am pleased to report on the Group's trading for the year ended 31 March 2009 – a successful year for the Group. Although turnover grew only slightly to £439m (2008 – £429m), profitability was improved, principally through stronger trading performance in ***Jet2.com***. Profit before tax amounted to £33.5m (2008 – £11.8m), with earnings per share of 19.3p (2008 – 6.2p). Underlying profit before tax, before specific IAS 39 fair value movements, would have been £28.8m (2008 – £3.9m). In the light of Summer 2009 trading the Board has concluded that it is appropriate to resume payment of a dividend at a level of 0.71p per share payable, subject to shareholder approval on 21 September 2009.

Capital expenditure for the year ended 31 March 2009 was £27.9m (2008 – £38.5m), with the reduction principally related to the phasing of long-term maintenance spend on engines and airframes. As at 31 March 2009, the Group's net cash position amounted to £11.8m, which represents a significant improvement from 31 March 2008, at which time the Group had net debt of £17.2m.

All of ***Jet2.com***'s expected fuel requirements for its passenger operations have been hedged for the year ending 31 March 2010, as have nearly all of the Group's forecast US$ and Euro requirements. Neither ***Jet2.com***'s freight operations nor **Fowler Welch-Coolchain** currently have any material exposure to oil price risk as this is substantially covered in their commercial contracts.

Aviation

Jet2.com, the Group's leisure airline, focused its development in 2008/9 on a wider range of leisure sun routes, with new leisure routes added, principally from Leeds and Manchester. In order to match supply with expected market demand ***Jet2.com*** managed down overall capacity both in Summer 2008 and in Winter 2008/9. Summer seat capacity was reduced by 21% with some city routes being discontinued and Winter capacity was reduced by 49% in recognition of the economic downturn, principally through reduction in flight frequencies to Western Mediterranean destinations. Encouragingly, the business continues to win awards – a recent customer satisfaction survey conducted by Which? identified ***Jet2.com*** as having the highest level of satisfaction amongst UK short haul carriers.

The Group's tour operator, ***Jet2holidays.com***, grew more slowly than hoped for, with 36,128 passengers in the year (2007/8 – 34,339), booked through internet sales, telephone sales via our UK based call centre and via travel agencies. We are working hard to grow this segment of our aviation business, packaging attractive hotels with ***Jet2.com*** scheduled flights and offering flexible holidays to a wide range of destinations.

The ***Jet2.com*** in-house developed reservation system, which went live in February 2008, was further developed during the year, with the introduction of a number of enhancements including online seat assignment, a "shopping basket" facility for multiple purchases and a specific travel agency portal. The introduction of our own reservation system allows us to tailor the system constantly to meet customer needs quickly and effectively, improving the shopping experience and consequently generating additional non-ticket revenues.

Our passenger charter airline operations had a very strong year, as a result of both increased market demand and additional aircraft availability. The Group's freight operations continue to deliver a significant revenue stream; in particular the night flights for Royal Mail on "Quick Change" aircraft allow us to maximise the use of the Group's aircraft through day and night time operations.

Looking forward, ***Jet2.com*** will continue to focus its growth in the leisure sector of the airline market. The continuing development of its in-house IT capabilities is recognised as being particularly important to ensure that both its scheduled flights and holiday offerings meet the evolving demands of its growing customer base. The Group also intends to continue to work closely with the travel trade in making its flight and holiday offerings more accessible to all forms of distribution.

Distribution

The Group's logistics operation, **Fowler Welch-Coolchain**, primarily provides an integrated supply chain solution to supermarkets and their suppliers as well as food manufacturers, growers and importers. Its capabilities include both chilled and ambient distribution together with warehousing and pick-to-order services. It offers national coverage from a network of eight distribution and storage operations.

Revenues for the year ended 31 March 2009 decreased by 6%, principally as a result of customer losses at the beginning of the year. Whilst the cost base was reduced, reflecting both the flexible nature of the business and action taken during the year to improve efficiency, profitability was impacted. "Manhattan", the Company's new warehouse management system was introduced at our Spalding site in the year, providing real-time online visibility of stock levels as well as inbound and outbound movements.

"We are well placed to deliver satisfactory performance in this financial year in difficult trading conditions."

During the year, **Fowler Welch-Coolchain** continued to ensure that it operated the optimum mix of own and sub-contractor vehicles and drivers. The company continues to invest in new technology with the introduction of further dual fuel vehicles and double deck trailers, together with further investment in its driver training initiatives. These investments are expected to continue to deliver a reduction in both operating costs and carbon emissions.

It is our intention to continue to grow this operation both organically and by selective acquisition, should attractive opportunities arise to add skills or scale.

Our Staff

I am sad to report that Jim Welch, President of **Fowler Welch-Coolchain**, passed away in January of this year. Jim was the founder of Fowler Welch Limited. He retired from active involvement in Fowler Welch, but retained a passion for and real interest in the business, being a source of both inspiration and valuable advice. His former business partner, Maurice Fowler, sadly also passed away in January this year. On behalf of all our colleagues, we send sincere condolences to their families and are hugely grateful for the vision and hard work that led to the creation and success of Fowler Welch.

All our businesses have earned a reputation for high quality customer service from their customers. This can only be achieved through the dedication and hard work of all of the Group's operational and administrative staff in **Fowler Welch-Coolchain**, ***Jet2.com*** and ***Jet2holidays.com***. Our businesses are customer-focused and operationally demanding at all hours of the day. We are grateful to all and look forward to continuing to grow our business together.

Outlook

We expect to grow both our businesses cautiously in the year ahead, given current market conditions. In **Fowler Welch-Coolchain**, we will also evaluate acquisition opportunities as these arise and continue to develop the business infrastructure.

We will invest in the development of the aviation business, through a growing focus on leisure flights and package holidays, increasingly to longer haul destinations. In the current trading environment, the key to success will be to continue to focus on matching flight schedules and frequencies to market demand. With our expected fuel requirements fully hedged and a carefully tailored flying programme, we are well placed to deliver satisfactory financial performance in this financial year in difficult trading conditions.

Philip Meeson
Chairman

29 July 2009

Business and Financial Review

The Group is comprised of two principal operating businesses, Aviation and Distribution, which trade in separate market segments.

2008/9 Performance

The Group's financial performance for the year to 31 March 2009 is reported in line with International Financial Reporting Standards (IFRS), as adopted by the EU, that were effective at 31 March 2009. The unavailability of hedge accounting under IFRS for derivative contracts in the 2006/7 year results in a timing difference in the recognition of changes in the value of these contracts which reverses in subsequent accounting periods.

In order for readers of the accounts to establish the underlying performance of the Group, results are presented in these accounts showing not only the required accounting treatment under IFRS but also the Group's underlying performance should hedge accounting have been possible for the year ended 31 March 2007. It is envisaged that a similar presentation will be adopted in the accounts for the interim and final results for the year ended 31 March 2010.

Summary Income Statement

	2009 £m	2008 £m
Revenue	**439.3**	429.3
Net operating expenses	**(404.1)**	(423.7)
Operating profit	**35.2**	5.6
Net financing costs	**(6.4)**	(3.0)
Profit on disposal of fixed assets	**–**	1.3
Profit before taxation[1]	**28.8**	3.9
Financing costs	**6.4**	3.0
Depreciation	**30.7**	30.3
EBITDA[1]	**65.9**	37.2

Note [1]: stated excluding specific IAS 39 fair value movements

Although Group turnover increased by 2.3%, EBITDA increased by 77.2% and underlying Group profit before tax increased from £3.9m to £28.8m, reflecting a focus on profitability rather than growth in ***Jet2.com***, our leisure airline operation. The Group's effective tax rate for the year of 19% was lower than last year (2008 – 26%), principally reflecting the recognition of deferred tax assets from tax losses arising in prior years.

Subject to shareholders' approval, the Directors recommended the payment of a final dividend of 0.71 pence for the year ended 31 March 2009, which would be paid on 21 September 2009.

As set out in the summary cash flow below, the Group generated positive cash flows of £29.0m in the year, with a positive net cash position as at 31 March 2009 of £11.8m (2008 – £17.2m net debt). The Group's improved cash generation was driven by a combination of improved EBITDA and lower capital expenditure, in part offset by an increase in working capital requirements.

Summary Cash Flow

	2009 £m	2008 £m
EBITDA	**65.9**	37.2
Other P&L adjustments	**0.2**	(1.1)
Movements in working capital	**(4.6)**	6.3
Interest & taxes	**(4.7)**	(4.8)
Net cash generated from operating activities	**56.8**	37.6
Investing activities	**(27.8)**	(37.0)
Other items	**–**	(3.7)
Decrease/(increase) in net debt	**29.0**	(3.1)

With improved profitability and considerable positive cash generation, the Group's balance sheet strengthened in the year. The resulting increase in shareholders' equity and the positive net cash position are the principal changes in the shape of the balance sheet from the previous year end.

Summary Balance Sheet

	2009 £m	2008 £m
Non-current assets	**199.7**	204.6
Net current liabilities	**(92.5)**	(89.0)
Other liabilities	**(25.6)**	(24.0)
Net cash/(debt)	**11.8**	(17.2)
Shareholders' Equity	**93.4**	74.4
Net debt	**–**	(17.2)
Gearing [1]	**–**	26%

Note [1]: Net debt/Equity excluding cash flow hedge reserve

Segmental Performance

Aviation

The Aviation division comprises the Group's passenger and freight charter operations, scheduled leisure airline and associated tour operator activities, trading under the ***Jet2.com*** and ***Jet2holidays.com*** brands. It operates 21 Boeing 737-300 aircraft, including eight "Quick-Change" aircraft, and nine Boeing 757-200 aircraft from its home base of Leeds Bradford International Airport and five other northern bases.

During 2008/9, ***Jet2.com*** focused its scheduled airline activities on leisure routes, adding a number of additional routes particularly out of Leeds Bradford International Airport, with a number of city routes being discontinued out of Manchester. Overall scheduled airline seat capacity was reduced by 21% for Summer 2008 and by 49% for Winter 2008/9. The Winter reductions centred on lower frequency on Western Mediterranean routes.

This successful route and capacity management resulted in a significant increase in load factor to 78% (2007/8 – 72%), at improved yields. The Group added an additional, leased, Boeing 757 aircraft to the fleet in May 2008 to support its increased focus on longer haul leisure destinations.

Retail revenues are a very important source of income for the scheduled airline business, allowing low fares to be maintained. Retail revenue per passenger increased from £9.10 to £14.93 in 2008/9, generated from a number of sources including hold baggage charges and online seat assignment.

Jet2.com switched over to its own in-house developed reservation system in February 2008. The introduction of our own reservation system allows us to tailor our offering more quickly and effectively to meet customer needs, and improve the online shopping experience. Retail revenues, in particular online seat assignment and extra leg room, have increased significantly as a result of the introduction of this system. A trade portal into this system has been developed to improve access to ***Jet2.com*** for the travel trade. ***Jet2.com*** also introduced a loyalty scheme in November 2008 to reward regular fliers.

Jet2.com's charter activities were further expanded in the year. The Royal Mail contract, under which night mail flights are undertaken from six UK airports, continues to be serviced well, with industry leading punctuality, to enable Royal Mail to meet its service obligations. The passenger charter operation provides flights for tour operators, specialist holiday providers and in support of promotional and sporting events. Increasingly we are working with tour operators on a part aircraft basis, to supplement load factor on our scheduled services, as well as using charter activity to improve utilisation of aircraft outside peak periods. Passenger charter revenues grew significantly in 2008/9 as a result of greater aircraft availability and strong market demand, partly influenced by the market exit of some competitors.

In its second full year of operation, ***Jet2holidays.com*** sold over 36,000 holidays, all on ***Jet2.com*** flights. Holidays are packaged dynamically by linking flights with accommodation provided by our bed supplier and a range of airport transfer options. During the year, the holidays call centre was repatriated to the UK to ensure that direct customers calling us obtain the best possible advice. A trade portal was also developed during the year to improve travel agency access to ***Jet2holidays.com***.

Having fully hedged its fuel costs in advance of the relevant season, the business was not subject to the very significant fuel price increases which impacted the industry during the financial year. The business has fully hedged its anticipated fuel requirement for the year ending March 2010.

We continue to benefit from the long-term agreement with Pratt & Whitney for the fixed price maintenance of the CFM56-3 series engines, which power our Boeing 737-300 aircraft. Pratt & Whitney have also started to manufacture and supply a range of parts for these engines at attractive pricing under their Global Material Solutions Programme. This agreement delivers increased engine efficiency, cost certainty and price reductions for the business.

Reducing fuel burn and consequent emissions is a high profile project within ***Jet2.com***. The company has a significant checklist of actions which include efficient aircraft loading and lower aircraft flying speeds made possible by the introduction of a newly implemented flight planning system. Two Boeing 757s have had fuel efficient winglets fitted and a further two aircraft are to be fitted with winglets this Autumn. Overall year on year fuel savings and consequent emission reductions in excess of 3.5% were achieved.

Business and Financial Review

continued

Aviation	2009 £m	2008 £m
Revenue	**326.4**	308.8
Operating expenses	**(295.3)**	(308.5)
Operating profit	**31.1**	0.3
Net financing (costs)/income	**(2.0)**	1.3
Profit on disposal of property, plant & equipment	**–**	1.3
Profit before interest & tax	**29.1**	2.9
Net financing (costs)/income	**2.0**	(1.3)
Depreciation	**30.0**	29.3
Aviation EBITDA	**61.1**	30.9
Profit margin	**8.9%**	0.9%
EBITDA margin	**18.7%**	10.0%

KPI's	2009	2008
Number of owned aircraft at 31 March	**29**	29
Passenger numbers	**3.2m**	4.0m
Load factor	**78%**	72%
Retail revenue per passenger	**£14.93**	£9.10
Percentage of estimated annual fuel requirement hedged for the next financial year	**100%**	100%
Capital expenditure	**£26.1m**	£37.4m
Average monthly staff turnover	**2.5%**	2.0%
Advance sales made at year end date	**£95.1m**	£96.9m

Jet2.com's financial performance was significantly improved by the focus on leisure routes and tailoring of seat capacity to demand, leading to increased load factors and yield. Total aviation revenues grew by 6% despite the overall 28% reduction in scheduled seat capacity. The company reduced its cost base in 2008/9. The reduction in seat capacity allowed the business to eliminate the need for short-term wet leased aircraft which had been required in Summer 2007 to supplement the owned fleet.

Distribution

The Group's Distribution business, **Fowler Welch-Coolchain**, is one of the UK's leading logistics providers serving UK retailers, importers and manufacturers. Focusing on food and drink, the business operates from eight strategic locations and offers a range of logistics solutions including storage, case pick-to-order and national distribution of both temperature-controlled and ambient products.

The company's origins are built around consolidating numerous suppliers' products into specific temperature groups for onward "on time" delivery to end destination. These complex and time-sensitive operations offer the ideal solution for clients serving the "Just in Time" supply chains demanded by UK retailers. Typically **Fowler Welch-Coolchain** picks and delivers approximately 1.25 million cases of prepared meats, ready meals, citrus juice and pasta on a weekly basis.

Revenues reduced by 6% in the year, principally as a result of two customer losses sustained in the early part of the year, following very aggressive competitor pricing. By the end of the year, this business volume had been replaced through a combination of new business wins, in particular a significant contract for a chilled meats supplier, and additional activity undertaken for existing customers.

Distribution	2009 £m	2008 £m
Revenue	**112.9**	120.5
Operating expenses	**(108.8)**	(115.2)
Operating profit	**4.1**	5.3
Profit on disposal of property, plant & equipment	**–**	–
Profit before interest & tax	**4.1**	5.3
Depreciation	**0.7**	1.0
EBITDA	**4.8**	6.3
Profit margin	**3.6%**	4.4%
EBITDA margin	**4.3%**	5.2%

KPI's	2009	2008
Warehouse space – sq. ft.	**480,000**	480,000
Number of tractor units in operation	**304**	351
Number of trailer units in operation	**697**	769
Mileage per gallon	**8.70**	8.53
Fleet mileage per annum	**33.0m**	36.3m
Number of employees	**1,100**	1,132

Given the flexible nature of the operation, **Fowler Welch-Coolchain** was able to manage its costs down largely in line with reduced business volumes, to minimise the profit impact of reduced revenues. Action was also taken to improve efficiency by optimising the own driver to contractor mix, particularly in Spalding and Washington. This has put the business in a stronger position for the current financial year. The company has focused heavily on fleet utilisation, both at individual depot level and also through optimising national network synergies. Additional double deck trailers have also been added to the fleet. This has delivered both efficiencies and environmental benefits, through fleet reductions and fewer empty miles. We believe this trend will continue into the year ahead. Investment in driver training continues and will remain ongoing. Continuing fleet evaluation enables the company to make critical decisions with fleet replacement programmes, thus ensuring that the most fuel efficient vehicles are purchased.

During the year, the company successfully introduced a new warehouse management system for a number of customers, allowing real-time online visibility of stock levels as well as inbound and outbound movements. This will be fully rolled out during the current financial year.

Despite the economic slowdown, the company increased its portside activities by handling more imported containers. This activity complements fleet utilisation and extends the service offering to provide true end-to-end logistics capabilities.

In the current trading environment, the sector has seen both considerable consolidation and increased customer demand for a sustainable lean supply chain, both of which are leading to further opportunities for **Fowler Welch-Coolchain.** The company is well established with a hard won reputation for its ability to service variable volumes on short lead times, cost effectively through a national network of strategically situated distribution centres. The company's continuing strategy is both to grow organically and to take advantage of capability enhancing acquisition opportunities as they arise.

Business and Financial Review

continued

Principal Risks and Uncertainties

The Group's strategy is to grow its business through a combination of organic expansion and carefully planned acquisitions in areas related to its existing businesses and markets. The principal risks and uncertainties facing the business include the following:

Competition

The Group is impacted by competitor activity in both of its business areas. The loss of a substantial customer is the largest financial risk facing the company. This risk is mitigated by **Fowler Welch-Coolchain**'s focus on service levels and cost control, both of which are critical to success in this sector.

The leisure airline sector is an increasingly competitive market, a position exacerbated by the current economic environment. Headline fare price competition remains very strong, and as a result the Group will continue to seek to maximise both its retail revenue income and the load factor on its aircraft.

Fuel prices

The price of fuel rose very significantly in Summer 2008, impacting on the price of both Jet Fuel and diesel. The cost of fuel will continue to be a very significant element of the Aviation cost base, and managing price variation effectively will continue to be important to the business.

The Group's fuel price risk management strategy aims to limit the exposure of the Aviation division to sudden and significant increases in oil prices, whilst ensuring the business remains competitive.

The Distribution division is not directly affected by such price rises, since contracts allow for increases to be passed on to its customers.

Economic Conditions

Ultimately economic conditions will have an impact on the level of consumer demand for the Group's airline services. Whilst we believe that UK consumers regard their summer holiday as a very important element of the household budget, it is likely that there will be a reduction in discretionary travel. To mitigate this risk, the Group will continue to tailor its flying programme carefully to take account of trends in demand. Expanding the ***Jet2holidays.com*** offering also enables the Group to increase revenues from our ***Jet2.com*** customers.

Government Policy

It is stated UK and EU policy to apply additional taxes to the aviation industry and it is foreseeable that the tax burden will continue on the road haulage sector. Load factor will become an increasing issue for the sector given the planned introduction of the EU Emissions Trading Scheme which will be charged on an aircraft basis. There is a risk that the imposition of these taxes, at levels in excess of the economic cost of emissions, may result in reduced passenger demand.

Treasury Management

Bank Facilities

As at the year end, the Group's bank facilities comprised a revolving credit and an overdraft facility. The Group's objective is to manage liquidity risk by maintaining a balance between continuity and flexibility of funding through the use of revolving credit and overdraft facilities, whilst seeking to match long-term assets with long-term liabilities wherever possible. Since the year end, the Group has successfully completed a refinancing of its syndicated facilities. Together, these facilities meet the Group's foreseeable funding needs and put Dart in a strong position to take advantage of business opportunities as they arise in the future.

Fuel and Currency Hedging

The Group utilises foreign exchange and fuel forward contracts to hedge its exposure to movements in US Dollar and Euro exchange rates and to Jet Fuel prices arising as a result of its aviation activities. The Group's treasury policy permits the use of such instruments to manage fuel price and currency risk only. The Board reviews and agrees this policy for managing each of these risks at least annually; these policies have been consistent during the year. It is the Group's policy that no trading in financial instruments shall be undertaken.

Details on derivative transactions outstanding at the year end relating to forward currency contracts, cross currency swaps and aviation fuel swaps are detailed in note 21 to the Group accounts.

The policy in relation to fuel and foreign currency hedging is summarised below:

Aviation fuel price risk
The Group's policy is to forward cover future fuel requirements up to 100% and up to three years in advance. The magnitude of the aviation fuel swaps held is given in note 21 to the Group accounts. For the year ending 31 March 2009 the Group has fully hedged its current forecasted fuel requirements. Further fuel swap hedges have been taken out for the years ending 31 March 2011 and 31 March 2012, hedging approximately 40% and 30% respectively of the expected requirements.

Foreign currency risk
The Group has significant transactional foreign currency exposure, the most significant being the US Dollar.

Transactional currency exposures primarily arise as a result of purchases in foreign currency undertaken in the ordinary course of business, in particular related to expenditure on aviation fuel, aircraft maintenance, air traffic control and airport charges. The Group's policy is to cover all material transactional risks for a minimum period of six months using forward foreign exchange contracts. For the year ending 31 March 2010, the Group has hedged 95% of its forecast foreign exchange requirements. The magnitude of the foreign currency exchange risk is given in note 21 to the Group accounts.

Structural currency exposures exist where the Group has a small Euro exposure in respect of net overseas investment. However, as these exposures are not material, no hedging has taken place.

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst providing returns for shareholders.

The Group maintains a conservative approach to dividend policy, ensuring funds are retained to support further business growth.

The gearing ratio at 31 March 2009 and 2008 was as follows:

	2009 £m	2008 £m
Net debt (a)	–	17.2
Equity reserves	**93.4**	74.4
Cashflow hedge reserve	**(1.9)**	(10.0)
Net equity reserves (b)	**91.5**	64.4
Gearing (a)/(b)	–	26.7%

A D Merrick
Group Finance Director

29 July 2009

Directors and Senior Management

DART GROUP PLC	Philip Meeson: Group Chairman and Chief Executive Andrew Merrick BSc (Hons), FCMA: Group Finance Director Trevor Crowley FCA: Senior Independent Non-Executive Director Brian Templar BA (Hons), MILT: Independent Non-Executive Director Mark Laurence: Independent Non-Executive Director (appointed 28 May 2009) Tamsin Winspear: Group Company Secretary and Head of Regulatory Affairs
***Jet2.com* Limited**	Philip Meeson: Chief Executive Ian Doubtfire: Managing Director Robin Bradshaw: Flight Operations Director (resigned 30 April 2008) Ian du Cros: Director, Mail and Cargo Operations Robin Evans: Flight Operations Director Claire Flynn FCIPD: HR Director Ian Gill: Marketing Director Brian Gresham: Director, Line Maintenance Paul Humphreys: Retail Director Stephen Lee: Commercial Director Andrew Menzies: Technical Director Andrew Merrick: Finance Director Andrew Mondon ACA: Director, Accounting (resigned 31 May 2009) Shane O'Doherty: Ground Operations Director Antony Sainthill BA (Hons), FIFP: Director, Aircraft Management Robert Trayhurn MIIRSM DipSM: Director, Safety Management (resigned 20 November 2008) Philip Ward: Passenger Sales Director
***Jet2holidays* Limited**	Philip Meeson: Chief Executive Richard Bodin MBA: Managing Director Ian Doubtfire: Director Andrew Merrick: Finance Director Andrew Mondon: Finance Director (resigned 31 May 2009)
Fowler Welch-Coolchain Limited	Philip Meeson: Executive Chairman David Inglis: Managing Director David Cottam: Executive Director Lee Juniper: National Operations Director Stephen King ACMA: Finance Director John Peall: Deputy Managing Director

Directors' Report

The Directors present their Annual Report on the affairs of the Group together with the Financial Statements and Auditor's Report for the year ended 31 March 2009.

Principal activities

Dart Group PLC is an aviation services and distribution group specialising in:

- the operation of scheduled and charter flights primarily to leisure destinations throughout Europe; and
- the distribution of fresh produce, temperature-controlled and ambient products to supermarkets and wholesale markets throughout the United Kingdom.

Business review

The Company is required to include a review in its Directors' Report as per section 234ZZB of the Companies Act 1985. The information that fulfils these requirements can be found in the following sections of the Annual Report, which are incorporated into this report by cross reference:

- Business and Financial Review: pages 4 to 9
- Current Directors' details and Directors who served through the year: pages 10 to 14
- Directors' Remuneration: on pages 15 to 18
- Details of financial instruments and exposure to relevant risks: note 21 to the Group accounts

Results and dividends

The results for the year are set out in the consolidated income statement and show a profit, after taxation, of £27.1m (2008 – £8.7m).

An interim dividend of £nil (2008 – 0.65p) per share was paid on 11 January 2008.

The Directors recommend the payment of a final dividend for the year ended 31 March 2009 of 0.71p per share (2008 – £nil per share), given the strong trading performance of the Group in the year.

Directors

Executive Directors

Philip Meeson is Chairman and Chief Executive of Dart Group PLC; Chief Executive of ***Jet2.com*** and ***Jet2holidays*** and Executive Chairman of **Fowler Welch-Coolchain**.

In April 1983, his private company purchased the Channel Express Group which, at that time, distributed Channel Islands grown flowers to wholesale markets throughout the UK and freight from the UK into the Channel Islands. From that original business, he developed the Group's two business sectors – Aviation and Distribution.

Having decided that the Company needed wider access to funding in order to accelerate its growth, Channel Express Group PLC was floated on the USM in 1988. In 1991, it changed its name to Dart Group PLC and moved to a full listing on the London Stock Exchange before moving to AIM in 2005.

Andrew Merrick, Group Finance Director, joined the Group in July 2007. He previously held a number of senior financial management positions at both Bradford & Bingley plc and Thomas Cook Group Limited. He is a non-executive director of Incommunities Group Limited (previously known as Bradford Community Housing Trust). Andrew graduated from The City University in 1983 and is a Fellow of the Chartered Institute of Management Accountants. As Group Finance Director, Andrew is responsible for all finance matters, treasury activities, including both fund raising and hedging of the Group's fuel and foreign currency arrangements and the Group's IT infrastructure.

Non-Executive Directors

Trevor Crowley FCA, senior independent Non-Executive Director has served as a director since 1988. He is currently Chairman of the Audit Committee and his long experience with the Company enables him to provide a positive contribution to all financial aspects of the Group. His training and experience in exercising independent judgement in his capacity as an audit partner in Levy Blair for over thirty years, a London based firm of Chartered Accountants, ensures his continuing independence despite his length of service with the Company. He retired as a partner in April 2007 when the firm merged with another London-based firm, Rayner Essex Chartered Accountants LLP, and he continues to act as a consultant for the combined firm.

Directors' Report

continued

Brian Templar has served as an independent Non-Executive Director since 1993. He graduated with a BA (Hons) degree in Psychology. He has considerable experience in the distribution industry, having held senior management positions with NFC, LEX, Federal Express and Iveco. As chairman of logistics consultants Davies & Robson, Brian continues to advise the Boards of both national and international clients on all aspects of supply chain management. His knowledge and understanding of changing market needs brings a valuable insight and independent view to the Board of the Group.

Mark Laurence, aged 40, joined the Company on 28 May 2009 as a Non-Executive Director. Mark was for five years a member of the transport equity research team at Kitcat & Aitken and Smith New Court which was subsequently taken over by Merrill Lynch in 1995. From 1995 to 1997 Mark was part of the UK Equity Strategy team at Merrill Lynch and in 1997 he joined Collins Stewart, becoming a shareholder the following year. Following the successful sale of Collins Stewart in 2001 Mark has pursued a career in fund management devising and overseeing the launch of a number of innovative investment products. Mark is a Governor of Bryanston School in Dorset and a member of the Endowment Investment Committee of King's College University, London.

Directors' interests

(a) The Directors who served during the year and their beneficial interests in the Company are set out below:

	Ordinary shares 31 March 2009	Ordinary shares 31 March 2008
P H Meeson	**56,240,000**	56,240,000
A D Merrick	**83,000**	83,000
T P Crowley	**48,188**	48,188
B S Templar	**134,712**	134,712

(b) No Directors have a non-beneficial interest in the shares of the Company. Interests in options to acquire ordinary shares are given in the Report on Directors' Remuneration on page 15. There have been no changes to the Directors' interests above in the period since 31 March 2009.

(c) None of the Directors have any direct or indirect interest in any contract or arrangement subsisting at the date of these accounts that is significant in relation to the business of the Group or the individual and is not otherwise disclosed.

Material holdings

Apart from the interest of P H Meeson in the capital of the Company, the Directors are aware that the following entities were interested, directly or indirectly, in three per cent or more of the issued share capital of the Company as at 16 July 2009:

Schroder Investment Management (Institutional Group)	17.95
J.O. Hambro Capital Management Limited	8.36
Gartmore Investment Management Limited	6.95
AXA (Institutional Group)	3.48

Issued share capital

There was no change in issued share capital during the year. Details of issued share capital are given in note 22 to the Group accounts.

Special business at the Annual General Meeting

At the Annual General Meeting to be held on 9 September 2009, Resolutions 8, 9 and 10 will be special business. Ordinary Resolution 7 covers the Directors' authority to allot ordinary shares pursuant to section 80 of the Companies Act 1985 up to an aggregate nominal amount of £236,503.83, such authority to expire on the close of the next Annual General Meeting. Special Resolution 8 covers the Directors' authority to allot on a non-pre-emptive basis equity securities for cash up to an aggregate nominal amount equal to 5% of the issued share capital of the Company at the date the Resolution is passed. Special Resolution 9 deals with authority for the Company to buy back its own shares. Special Resolution 10 deals with the authority to call a general meeting on 14 clear days' notice. Further explanatory notes in respect of all of these resolutions under special business are included with the notice of the Annual General Meeting.

Payments to Suppliers

It is the Group's policy to agree terms of payment with suppliers. Suppliers are made aware of the Group's terms of payment and the Group adheres to the terms agreed. It is not the Group's policy to follow a code or standard in relation to payment practice. At 31 March 2009, the Group's creditor days were 25 (2008 – 32).

Political and charitable contributions

The Group made no political contributions during the period (2008 – £nil).

The Group made contributions to various local and national charities amounting to £1,994 during the period (2008 – £2,523).

Corporate and Social Responsibility

The Environment

The Group takes its responsibility to the environment seriously, with fuel emissions being a significant issue in both the Aviation and Distribution businesses. In addition to environmental concerns, it is in our own and our customers' interests to ensure we operate at maximum fuel efficiency.

In ***Jet2.com***, we have a programme in place targeted at improving fuel efficiency and reducing emissions by 4% per annum. This is being achieved by a series of initiatives including further investment in flight planning technology, aircraft maintenance activity focused on reducing drag and investment in winglets which improve aircraft performance, particularly at take-off.

In respect of the aircraft fleet, all Group aircraft exceed the International Civil Aviation Organisation's requirements for minimising air pollution.

At **Fowler Welch-Coolchain**, we are undertaking a series of initiatives to maximise fuel efficiency and minimise emissions, including the concept of shared user and back haul which help contribute to reducing the overall number of miles driven during the year.

Over the last twelve months, **Fowler Welch-Coolchain** has made substantial progress in reducing the environmental impact of its operations, identifying four key elements to its carbon footprint reduction objectives:

Operational Efficiency

By increasing both payload utilisation and reducing empty running, the net carbon impact per unit of product delivered was reduced. **Fowler Welch-Coolchain** has made further investments in training, management processes and technology in order to achieve these goals. This investment includes an enhanced telematics system currently being deployed across the entire fleet. This will permit real time vehicle, driver, route and consignment management. Linked to the company's existing transport management system and with further interfaces to key client systems, we hope to reduce empty running, the impact of congestion, poor driving behaviour and consequently our net carbon footprint per unit delivered.

We also commenced a new initiative with a major Spanish client to increase efficiency by changing ordering patterns which increased net vehicle fill by 5%, with a consequent reduction in carbon footprint per case delivered.

Vehicle Technology

We continue to work closely with commercial vehicle manufacturers to identify potential fuel saving initiatives. We are currently undertaking initial trials with hydrogen injection systems for diesel engines as well as long term testing of liquid petroleum gas powered vehicles. All of our newly acquired tractor units comply with the latest EURO V emissions standard and our latest refrigerated trailers are the most fuel efficient on the market. We have increased the number of double deck trailers, which permit a larger number of pallets to be carried.

Refrigeration Technology

For our warehouse operations, we are in the process of replacing the refrigerant in our chillers with the latest environmentally friendly alternatives in accordance with European Directives. We have also invested in some upgrades to both sealed dock-levellers and internal structures in order to minimise heat ingress. We are also continuing to work directly with the Carbon Trust in order to progress our agenda in this key area.

Culture

We have expanded our non-operational environmental awareness programme across each of our sites. This includes initiatives such as reducing our reliance on office air-conditioning, recycling plastic cups, installing low energy lighting, initiating a "Think Before You Print" campaign and the publishing of a quarterly newsletter for colleagues with an environmental focus.

Employee involvement

The importance of promoting and maintaining good communications with the Group's employees is recognised and its policy is to keep employees regularly informed on matters relating to their employment through the Group's Aviation Commercial and Special Technical information bulletins, pensions newsletter, circulars and team briefings.

Health and Safety at Work

Maintaining the highest standards of safety in all its operations is central to the Group's continuing success. The ***Jet2.com*** and **Fowler Welch-Coolchain** safety officers support line managers in the discharge of their responsibility for the safety of the operations they control. Providing expertise and advice on regulatory compliance and best practice in all aspects of flight safety, driver training and occupational health and safety, the safety officers also maintain the companies' operational quality systems. These safety management systems have helped deliver consistently improving safety statistics together with a commensurate reduction in insurance premium rates.

Directors' Report

continued

Fowler Welch-Coolchain has safety officers deployed at all its sites trained to I.O.S.H. standard. Our Stockport depot staff have received formal congratulations from the Health and Safety Executive for the work they have done to increase focus on safety, including being asked to present our findings within the local community as a standard bearer for good safety culture.

Equal opportunities

The Group has a policy of treating job applicants and employees in the same way, regardless of their gender, race, ethnic origin or disability. Ability and aptitude are the determining factors in the selection, training, career development and promotion of all employees. Employees are retained wherever possible in the event of disability during their employment.

During the year, **Fowler Welch-Coolchain** achieved re-accreditation for its Business in the Community "Big Tick" award, recognising the efforts made in the vocational skills domain.

Our communities

Across the Group, we endeavour to support our local communities in a variety of ways. In addition to providing prizes for local fund raising activities, we act as sponsors of local sports teams and support our staff in community work.

Post balance sheet event

Subsequent to the year end, the Group has successfully completed a refinancing of its syndicated facilities. It has concluded three year agreements for the provision of letter of credit facilities and for the provision of working capital facilities. Together, these facilities meet the Group's foreseeable funding needs and put the Group in a strong position to take advantage of business opportunities as they arise in the future.

Going concern

After making enquiries including the preparation of financial projections, with appropriate sensitivity analysis the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Statement as to disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution proposing the reappointment of KPMG Audit Plc as auditors to the Group will be put to the forthcoming Annual General Meeting.

By order of the Board

T Winspear
Secretary

29 July 2009

Report on Directors' Remuneration

Remuneration Committee and Advisers

The Group's Remuneration Committee is chaired by Brian Templar; its other member is Trevor Crowley. The Committee makes recommendations to the Board, within agreed terms of reference, on an overall remuneration package for Executive Directors.

When required, KPMG Audit Plc (the Company's auditor and tax service provider) and Addleshaw Goddard will provide advice on both the approved and unapproved share option schemes. Philip Meeson, Chief Executive, provides advice in relation to the remuneration of other Executive and Non-Executive Directors.

Remuneration Policy

The Company's policy on Directors' remuneration for 2008/09 and subsequent financial years is that the overall remuneration package should be sufficiently competitive to attract, retain and motivate high quality executives capable of achieving the Group's objectives, and thereby enhancing shareholder value. The package consists of basic salary, benefits, share options and performance related bonuses. In constructing the remuneration packages, the Committee aims to achieve a balance between fixed and variable remuneration. Consideration is given to pay and employment policies elsewhere in the Group, especially when determining annual salary increases.

Executive Remuneration Package

The Remuneration Committee, having taken external advice, believes that the value of the total employment packages of the Directors and senior managers, and the extent of performance-related elements within this, is appropriate when compared to analysis of comparable companies. The details of individual components of the remuneration package and service contracts are discussed below.

Basic Salary and Benefits

Base salaries for each Executive Director are determined by individual performance and reference to external market data. The salary and benefits are reviewed annually. The base salary is the only element of remuneration that is pensionable. Benefits principally comprise a car, pension contributions and private healthcare.

Share Options

Share options under the Unapproved Scheme are awarded periodically (subject to available headroom) by the Remuneration Committee to Directors and senior managers. These profit targets are deemed the most appropriate to reflect the performance of senior management. Share options under the Approved Scheme are awarded at the discretion of the Board to a wide range of key personnel up to the current statutory limit.

Other than for share options granted under the Unapproved Scheme on 4 September 2008 (the detail of which is given below), there are no performance targets linked to the exercise of options once awarded.

For options granted on 4 September 2008, earnings must increase by at least an average of 5% over RPI per annum over performance periods of three and six financial years (in respect of 50% of the unapproved options in each case), starting from (for both performance periods) the adjusted base financial year 2007/8 net profit figure of £3.9 million.

Inland Revenue Approved Schemes

Under the Dart Group PLC Approved Share Option Plan 2005, Dart Group Company Share Option Scheme and the Dart Group Executive Share Option Scheme, the maximum value (by option exercise price) of options held by any individual, including Directors, at any one time is £30,000, the current statutory limit.

All share options granted are exercisable at the higher of (a) the nominal value of the shares; and (b) the market value of the shares at the date of grant.

If an option holder ceases to be an employee of either Dart Group PLC or one of its subsidiary companies their options will normally lapse immediately. However, at the discretion of the Directors, and in certain other defined circumstances, the option may be exercised within either six months of such cessation or six months after the third anniversary of the date of grant, whichever is the later.

Report on Directors' Remuneration

continued

Dart Group PLC Unapproved Share Option Plan 2005

This Scheme was adopted by the Board on 8 November 2005. Options may be granted to employees, but not Non-Executive Directors of Dart Group PLC, selected at the discretion of the Board. The full details of the Scheme are summarised below.

1. Individual limit
   1.1 The maximum number of shares which may on any day be placed under option for subscription under the Scheme, when added to the number of shares previously placed under option for subscription under the Scheme or allocated for subscription in the preceding ten years under any other employees' share scheme adopted by the Company, shall not exceed 10% of the Company's issued share capital on that day.

   1.2 For the purpose of the above limits options which have lapsed are disregarded.

2. Grant of Options
   2.1 The Scheme allows for the grant of options to take place at any time during the period of 42 days after the announcement by the company of its results.

   2.2 The grant of options will be subject to the discretion of the Directors based upon the satisfaction of performance conditions. Performance conditions will be a combination of Earnings per Share for the Group and, in the case of subsidiary Directors, the profitability of individual subsidiary company as applicable.

   2.3 No option may be granted more than ten years after the adoption of the Scheme.

   2.4 Options are personal to the option holder and may not be transferred or assigned. Options will be non-pensionable. No payment will be required for the grant of any option.

3. Option Price
   The holder of an option will be entitled to acquire ordinary shares at a price per share to be determined by the Board at the time when the option is granted. The option price will not be less than the nominal value of an ordinary share on which the option is granted.

4. Exercise of Options
   4.1 Unless the Board decides otherwise, options will be exercisable as follows:

      4.1.1 as to 50% of the shares originally comprised in the option on or after the third anniversary of the date of grant; and

      4.1.2 as to the remaining 50% of the shares originally comprised in the option on or after the sixth anniversary of the date of grant.

   4.2 If an option holder ceases to be an employee of either Dart Group PLC or one of its subsidiary companies their options will normally lapse immediately. However, at the discretion of the Directors, the option may be exercised within six months of such cessation.

   4.3 If the option holder dies, their personal representatives will have up to twelve months from date of death in which to exercise the options.

   4.4 No option may be exercised more than ten years after the date of grant of the option.

5. Voting, dividend, transfer and other rights
   5.1 Until options are exercised, option holders have no voting or dividend rights in respect of the shares to which their options relate.

   5.2 Shares issued and allotted under the Scheme following the exercise of an option will rank *pari-passu* in all respects with the then existing shares of the same class of the Company, with the exception of rights attaching by reference to a record date on or before the date of allotment.

Performance Related Bonuses

These are assessed each year by the Remuneration Committee taking into account both individual and Company performance. The maximum bonus payable under the short-term performance related scheme is 50% of base salary. Andrew Merrick is also entitled to participate in a Long-Term Incentive Plan. Under this scheme, subject to certain performance conditions being met, he could be entitled to an award of up to 100% of his base salary in either shares or cash, of which 50% would be payable in 2010 and a further 50% in 2013.

Pensions

The Executive Directors are members of a money purchase pension scheme. The Company does not have any final salary pension schemes.

Fees

The fees for Non-Executive Directors are determined by the Executive Directors. The Non-Executive Directors are not involved in any discussions or decisions about their own remuneration.

Service Contracts

Both P H Meeson and A D Merrick have service contracts that contain a rolling notice period of six months for either party.

T P Crowley, B S Templar and M A S Laurence do not have service contracts. The remuneration of the Non-Executive Directors takes the form of fees, which are set by the Executive Directors having taken advice on appropriate levels.

There are no predetermined special provisions for Executive or Non-Executive Directors with regard to compensation in the event of loss of office. The Remuneration Committee considers the circumstances of individual cases of early termination and determines compensation payments accordingly.

The service contracts and letters of appointment of the Directors who served in the year include the following terms:

Executive Directors:	*Date of contract*	*Notice period (months)*
P H Meeson	20 May 2003	6
A D Merrick	6 June 2007	6

The Non-Executive Directors do not have formal fixed term contracts or notice periods but must retire by rotation and be re-appointed at each Annual General Meeting.

T P Crowley and M A S Laurence retire from the Board at the Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' remuneration

The remuneration of the Directors is as follows:

	Basic Salary and fees £	*Benefits [1] £*	*Performance Related Bonuses £*	***Total 2009 £***	*Total 2008 £*
Executive Directors:					
P H Meeson	322,530	18,852	161,265	**502,647**	206,487
A D Merrick	190,000	6,440	160,625	**357,065**	171,259
M E Forder	–	–	–	**–**	62,686
Non-Executive Directors:					
T P Crowley	25,000	–	–	**25,000**	25,000
B S Templar	25,000	–	–	**25,000**	25,000
	562,530	25,292	321,890	**909,712**	490,432

[1] The remuneration package of each Executive Director includes non-cash benefits comprising the provision of a company car or car allowance and private health insurance.

Pension entitlement

In respect of 2009, the employer contributed to one of the Group's money purchase schemes an amount of £25,253 (2008 – £25,257) in respect of P H Meeson and £24,500 (2008 – £18,375) in respect of A D Merrick.

Report on Directors' Remuneration

continued

Interests in options

The Company has four share option schemes by which Executive Directors and other senior Executives are able to subscribe for ordinary shares in the Company and acquire shares in the Company. The interests of the Directors who served during the year were as follows:

Director	*Share scheme*	*Exercise price*	*At 1 April 2008 No.*	*Granted during the year No.*	*Lapsed in the year No.*	*At 31 March 2009 No.*
A D Merrick	Approved	101.75	29,484	–	–	29,484
A D Merrick	Unapproved	24.75	–	200,000 [a]	–	200,000

[a] Up to 50% from 4 September 2011 and up to 100% from 4 September 2014, subject to performance conditions as described on page 15. All of these options expire on 4 September 2018.

The share based payment charge to the Group profit and loss account in respect of the above share options amounted to £5,392 (2008 – £7,035).

The mid-market price of the Company's shares on 31 March 2009 was 33 pence per 1.25 pence ordinary share. The highest and lowest closing mid-market prices during the year were 39.25 pence and 12.50 pence respectively.

The interests of the Directors to subscribe for or acquire ordinary shares have not changed since the year end.

On behalf of the Board

B S Templar

Director, Chairman of the Remuneration Committee

29 July 2009

The Workings of the Board and its Committees

As the Company is listed on the Alternative Investment Market, there is no requirement to report on compliance with the Combined Code.

The Board

The Board currently comprises Philip Meeson, who owns 39.9% of the issued share capital of Dart Group PLC and performs the role of Chairman and Chief Executive, Andrew Merrick, the Group Finance Director, and three independent Non-Executive Directors, Trevor Crowley, Brian Templar and Mark Laurence (appointed 28 May 2009). The biographies of the Directors appear on pages 11 and 12 of this Annual Report. These demonstrate a range of experience and calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Group. The Board is responsible to shareholders for the proper management of the Group. A Statement of the Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 21 and a statement on going concern is given within the Notes to the Group Accounts on page 28.

The Board has a formal schedule of matters specifically reserved to it for decision. All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In addition, the Company Secretary ensures that the Directors receive appropriate training as necessary. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Board meets at least six times a year, reviewing trading performance, ensuring adequate funding and setting and monitoring strategy. To enable the Board to discharge its duties, all Directors receive appropriate and timely information, and in the months when the Board does not meet, the Directors receive a formal written report.

The Group does not operate a Nomination Committee due to the size and nature of the Board. New Director appointments are a matter for the Board as a whole.

The following committees deal with the specific aspects of the Group's affairs.

Board Committees

The number of full Board Meetings and Committee Meetings scheduled, held and attended by each Director during the year was as follows:-

	Board Meetings	*Remuneration Committee Meetings*	*Audit Committee Meetings*
Philip Meeson, Chairman and Chief Executive	6	2*	–
Andrew Merrick, Group Finance Director	6	–	2*
Trevor Crowley, Senior Independent Non-Executive Director	6	2	2
Brian Templar, Non-Executive Director	6	2	2

* By invitation

Remuneration Committee

The Group's Remuneration Committee is chaired by Brian Templar; its other member is Trevor Crowley. It is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of Executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for the Executive Directors, including performance related bonus schemes, pension rights and compensation payments.

Audit Committee

The Audit Committee which is chaired by Trevor Crowley, (its other member being Brian Templar), meets not less than twice per year. The Committee provides a forum for reporting by the Group's external auditors. Meetings are also attended, by invitation, by the Chief Executive and Group Finance Director.

The Audit Committee is responsible for reviewing a wide range of matters including the half-year and annual report before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders.

The Workings of the Board and its Committees

continued

In 2009 the Audit Committee discharged its responsibilities by:

- reviewing the Group's draft 2009 annual report and 2008 interim results statement prior to Board approval and reviewing the external auditor's reports thereon;
- reviewing the appropriateness of the Group's accounting policies;
- reviewing and approving the 2009 audit fee and reviewing non-audit fees payable to the Group's external auditors in 2009; and
- reviewing the external auditor's plan for the audit of the Group's 2009 accounts, including key risks on the accounts, confirmations of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit;

Since 2005, the Audit Committee has met at least twice a year. The Committee meets with Executive Directors and senior management, as well as privately with the external auditors.

The Company introduced an independent internal audit function during the year, to perform a full and regular monitoring role of the Company's procedures, driving improvements into the robustness of controls and highlighting significant departures from defined procedures. Other areas of risk assessment and monitoring which may normally be carried out by an internal audit department are, in the main, covered by the Board either as a whole or within the various meetings highlighted.

Internal Control

The Board of Directors is responsible for the Group's system of internal control and for reviewing its effectiveness. Any such system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has maintained its processes for the year and up to the date of signing of the accounts for identifying, evaluating and managing the significant risks faced by the Group and the Board confirms that these accord with the Turnbull Guidance for Directors on internal control.

In order to ensure compliance with laws and regulations, and promote effective and efficient operations, the Directors have established an organisational structure with clear operating procedures, lines of responsibility and delegated authority. Comprehensive guidance on financial and non-financial matters for all managers and employees is given in the Group Management Manual. In particular there are clear procedures for:

- approval of invoices before authorisation for payment;
- capital investment, with detailed appraisal, authorisation and post investment review guidelines; and
- financial reporting, within a comprehensive financial planning, budgeting, reporting and accounting framework.

Relations with shareholders

Communications with shareholders are given high priority. The Business and Financial Review on pages 4 to 9 includes a detailed review of the Group's business and future developments. There is regular dialogue with institutional shareholders, including presentations after the Group's preliminary announcement of the interim and full year results.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Chairman aims to ensure that the chairmen of the Audit and Remuneration Committees are available at Annual General Meetings to answer questions. Details of resolutions to be proposed at the Annual General Meeting on 9 September 2009 can be found in the Notice of the Meeting.

Statement of Directors' Responsibilities

in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Group and Parent Company Financial Statements for each financial year. As required by the AIM Rules of the London Stock Exchange the Directors are required to prepare the Group Financial Statements in accordance with IFRSs (as adopted by the EU and applicable laws), and have elected to prepare the Parent Company Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Group Financial Statements are required by law and IFRS, (as adopted by the EU), to present fairly the financial position and the performance of the Group; the Companies Act 1985 provides in relation to such Financial Statements that reference in the relevant part of that Act to Financial Statements giving a true and fair view are references to achieving a fair presentation. The Parent Company Financial Statements are required by law to give a true and fair view of the state of affairs of the Parent Company.

In preparing each of the Group and Parent Company 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;
- for the Group Financial Statements, state whether they have been prepared in accordance with IFRS, as adopted in the EU;
- for the Parent Company Financial Statements state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent 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 Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Independent Auditors' Report

to the members of Dart Group PLC

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

We have audited the Group and Parent Company Financial Statements (the "Financial Statements") of Dart Group PLC for the year ended 31 March 2009 which comprise the Consolidated Group Income Statement, the Consolidated Group and Parent Company Balance Sheets, the Consolidated Group Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, 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 members 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 members 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 Annual Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs), as adopted by the EU, and for preparing the Parent Company Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 21.

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 have been 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. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement and Business and Financial Review that is cross referenced from the Directors' Report. 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 other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

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 judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Group's and 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.

Independent Auditors' Report

continued

Opinion

In our opinion:

- the Group Financial Statements give a true and fair view of the state of the Group's affairs, in accordance with IFRSs as adopted by the EU, as at 31 March 2009 and of its profit for the year then ended;
- the Parent Company Financial Statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Parent Company's affairs as at 31 March 2009;
- 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

6 August 2009

Consolidated Group Income Statement

for the year ended 31 March 2009

		Year ended 31 March 2009			Year ended 31 March 2008		
		Results before specific IAS 39 fair value movements	Specific fair value movements [1]	Results for the year	Results before specific IAS 39 fair value movements	Specific fair value movements [1]	Results for the year
Continuing operations	Note	£m	£m	£m	£m	£m	£m
Revenue	5	**439.3**	**–**	**439.3**	429.3	–	429.3
Net operating expenses	6	**(404.1)**	**4.7**	**(399.4)**	(423.7)	7.9	(415.8)
Operating profit	5, 7	**35.2**	**4.7**	**39.9**	5.6	7.9	13.5
Finance income	8	**0.9**	**–**	**0.9**	2.7	–	2.7
Finance costs	8	**(7.3)**	**–**	**(7.3)**	(5.7)	–	(5.7)
Net financing costs		**(6.4)**	**–**	**(6.4)**	(3.0)	–	(3.0)
Profit on disposal of property, plant and equipment		**–**	**–**	**–**	1.3	–	1.3
Profit before taxation		**28.8**	**4.7**	**33.5**	3.9	7.9	11.8
Taxation	10	**(5.1)**	**(1.3)**	**(6.4)**	(0.8)	(2.3)	(3.1)
Profit for the year (all attributable to equity shareholders of the Parent)		**23.7**	**3.4**	**27.1**	3.1	5.6	8.7
Earnings per share [2]							
– basic	12			**19.27p**			6.18p
– diluted	12			**18.80p**			6.13p
Non-GAAP measures							
Underlying earnings per share [3]							
– basic	12			**16.87p**			2.15p
– diluted	12			**16.46p**			2.12p

[1] In order to assist the reader to understand the underlying business performance, the Group discloses separately within the income statement specific IAS 39 fair value movements (refer to note 2 Accounting Policies – Basis of preparation).

[2] Earnings per share is calculated in accordance with IAS 33, 'Earnings per Share'.

[3] Underlying earnings per share excludes specific IAS 39 fair value movements.

Consolidated Group Balance Sheet

at 31 March 2009

	Note	2009 £m	2008 £m
Non-current assets			
Goodwill	13	**6.8**	6.8
Property, plant and equipment	14	**190.5**	193.4
Derivative financial instruments	21	**2.4**	1.6
Deferred tax assets	10	**–**	2.8
		199.7	204.6
Current assets			
Inventories	15	**0.4**	0.3
Trade and other receivables	17	**45.1**	50.0
Derivative financial instruments	21	**32.7**	13.7
Cash and cash equivalents	16	**11.8**	4.0
		90.0	68.0
Total assets		**289.7**	272.6
Current liabilities			
Trade and other payables	18	**139.9**	147.1
Derivative financial instruments	21	**30.8**	5.9
		170.7	153.0
Non-current liabilities			
Other non-current liabilities	19	**6.4**	2.9
Borrowings	20	**–**	21.2
Derivative financial instruments	21	**0.2**	2.5
Deferred tax liabilities	10	**19.0**	18.6
		25.6	45.2
Total liabilities		**196.3**	198.2
Net assets		**93.4**	74.4
Shareholders' equity			
Share capital	22	**1.8**	1.8
Share premium	23	**9.3**	9.3
Cash flow hedging reserve	23	**1.9**	10.0
Retained earnings	23	**80.4**	53.1
Translation reserves	23	**–**	0.2
Total shareholders' equity		**93.4**	74.4

The accounts on pages 24 to 64 were approved by the Board of Directors at a meeting held on 6 August 2009 and were signed on its behalf by:

A D Merrick
Director

Consolidated Group Cash Flow Statement

for the year ended 31 March 2009

	Note	2009 £m	2008 £m
Cash flows from operating activities			
Profit for the year		**27.1**	8.7
Adjustments for:			
Tax charge		**6.4**	3.1
Finance income		**(0.9)**	(2.7)
Finance costs		**7.3**	5.7
Profit on disposal of property, plant and equipment		**–**	(1.3)
Depreciation		**30.7**	30.3
Equity settled share based payments		**0.2**	0.2
Specific fair value adjustments		**(4.7)**	(7.9)
Operating cash flows before movements in working capital		**66.1**	36.1
Increase in inventories		**(0.1)**	(0.1)
Increase in trade and other receivables		**(5.3)**	(6.5)
Increase in trade and other payables		**7.3**	12.9
Financial derivative close out costs		**(6.5)**	–
Cash generated from operations		**61.5**	42.4
Interest received		**0.1**	0.1
Interest paid		**(2.8)**	(4.4)
Income taxes paid		**(0.4)**	(0.5)
Net cash from operating activities		**58.4**	37.6
Cash flows from investing activities			
Purchase of property, plant and equipment	14	**(27.9)**	(38.5)
Proceeds from sale of property, plant and equipment		**0.1**	1.5
Net cash used in investing activities		**(27.8)**	(37.0)
Cash flows from financing activities			
Proceeds from issue of share capital		**–**	0.1
Net draw down of revolver facilities		**–**	3.2
Repayment of borrowings		**(22.0)**	–
Transaction costs paid		**(0.9)**	–
Equity dividends paid	11	**–**	(2.9)
Net cash (used in)/generated from financing activities		**(22.9)**	0.4
Effect of foreign exchange rate changes		**0.1**	(0.9)
Net increase in cash in the year		**7.8**	0.1
Cash and cash equivalents at beginning of year		**4.0**	3.9
Cash and cash equivalents at end of year	26	**11.8**	4.0

Consolidated Statement of Recognised Income and Expense

for the year ended 31 March 2009

	2009 **£m**	2008 £m
Fair value (losses)/gains, gross of tax:		
On cash flow hedges:		
Transfers to profit and loss on maturity of cash flow hedges	**2.3**	(0.9)
Changes in fair value of cash flow hedges	**(14.1)**	13.9
Taxation on items taken directly to equity	**3.7**	(3.9)
Exchange differences on translation of foreign operations	**(0.2)**	0.2
Net income and expense recognised directly in equity	**(8.3)**	9.3
Profit for the year	**27.1**	8.7
Total recognised income and expense for the year attributable to equity holders of the parent	**18.8**	18.0

Notes to the Consolidated Financial Statements

for the year ended 31 March 2009

1. Authorisation of Financial Statements and statement of compliance

The Group's Financial Statements for the year ended 31 March 2009 were authorised by the Board of Directors on 6 August 2009 and the balance sheet was signed on the Board's behalf by Andrew Merrick, Group Finance Director. Dart Group PLC is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange.

The Group's Financial Statements consolidate the Financial Statements of Dart Group PLC and its subsidiaries. The results of undertakings bought or sold are consolidated from the period from the date of acquisition or for the period up to the date of disposal. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

2. Accounting policies

The Group's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("Adopted IFRSs").

The Company has elected to prepare its Parent Company Financial Statements in accordance with UK GAAP; these are presented on pages 57 to 64.

The Group's and the Parent Company's Financial Statements are presented in Pounds Sterling and all values are rounded to the nearest £100,000, except where indicated otherwise.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group Financial Statements.

Basis of preparation

The Financial Statements have been prepared under the historical cost convention except for all derivative financial instruments that have been measured at fair value and disposal Groups held for sale that have been measured at the lower of fair value, less costs to sell, and their carrying amounts prior to the decision to treat them as held for sale.

In order to allow a better understanding of the financial information presented, and specifically the Group's underlying business performance, the Group presents its income statement in three columns such that it identifies: (i) results before specific IAS 39 fair value movements; (ii) the effect of specific IAS 39 fair value movements; and (iii) results for the year. For the purpose of clarity, in the explanation of the basis of preparation applied to these Consolidated Financial Statements, we describe these columns as the "left hand column", the "middle column" and the "right hand column" respectively.

The Group uses forward foreign currency contracts, currency option products and aviation fuel swaps to hedge exposure to foreign exchange rates and aviation fuel price volatility. Such derivative financial instruments are stated at fair value.

Ineffectiveness in qualifying cash flow hedges under IAS 39 can arise as a result of the difference between the contractual profile of a hedge and the profile of transactions defined as the hedged item. IAS 39 requires ineffectiveness in qualifying cash flow hedges to be recorded in the income statement, and therefore the Group records this ineffectiveness in the left hand column when it relates to a cash flow hedge.

IFRS compliant hedge documentation was not in place prior to 1 April 2007. Movements in the fair value of derivatives in existence at this time, along with subsequent fair value movements on these cash flow hedges that would have qualified for hedge accounting had the documentation requirement been met, are separately presented in the middle column to assist the reader's understanding of underlying business performance and to provide a more meaningful presentation.

The right hand column presents the results for the year showing all gains and losses recorded in the Consolidated Group Income Statement.

Going Concern

Post-year end the Group has completed a refinancing of its facilities with a three year term (refer to note 29 for further detail). The Group's facility is subject to security from the lending banks and is subject to standard financial and non-financial covenants.

The Directors have prepared financial forecasts for the Group, comprising operating profit, balance sheet and cash flows to 31 March 2012.

2. Accounting policies – continued

For the purposes of their assessment of the appropriateness of the preparation of the Group's accounts on a going concern basis, the Directors have considered the principal areas of uncertainty within the forecast and the underlying assumptions; in particular these relate to market and customer risks, fuel input costs, cost management, working capital management and foreign exchange risk. A number of these are subject to market uncertainty and impact financial covenants. Recognising the potential uncertainty, the Directors have considered a range of actions available to mitigate the impact of these potential uncertainties and also reassessed the key strategies which underpin elements of the forecast and the Group's ability to implement them successfully.

On the basis of these forecasts and these considerations, the Directors have assessed future covenant compliance and headroom for the foreseeable future and concluded that it is appropriate for the Financial Statements for the period ended 31 March 2009 to be prepared on a going concern basis.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Revenue

Turnover (which excludes Value Added Tax and Air Passenger Duty) arises from passenger aircraft operations, holidays, retail activities, charter and cargo aircraft operations and warehousing and distribution activities conducted by the Group.

Revenue from ticket sales for scheduled passenger flights and total revenue from holidays is recognised at the date of departure. Charter aircraft income is recognised in the period in which the service is provided. Retail revenue from cabin service sales, excess baggage charges and extra leg room charges are also recognised once the relevant flight has taken place. Separately identified incremental credit card charges and booking fees are recognised at the date of booking and booking change fees are recognised when the change is made, in line with the costs which such charges are designed to cover.

Commission earned from hire car and hotel bookings is recognised on departure and from travel insurance on booking, reflecting the time when commission can no longer be recovered on cancellation. Amounts received from customers for whom revenue has not yet been recognised are recorded in the balance sheet within trade and other payables as deferred revenue.

Distribution revenue relating to deliveries is recognised when the delivery has been completed. Warehousing revenue is spread evenly over the period to which it relates.

The Group operates a loyalty programme. The programme operates through the airline's "myJet2" loyalty scheme and allows members of the scheme to accumulate points that entitle them to free flights. Revenue is recorded at the amount of consideration received or receivable, less the fair value of the points awarded. The full fair value of the points is deducted from the consideration, and carried forward as a liability.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations, and of related qualifying hedges are taken directly to the translation reserve. They are released into the income statement upon disposal.

Notes to the Consolidated Financial Statements

continued

2. Accounting policies – continued

The Group has taken advantage of relief available in IFRS 1 to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to Adopted IFRSs (1 April 2006).

Investments

Investments are recorded at cost, less provisions for impairment in value where appropriate. Certain of the Group's activities are conducted through corporate interests, which are accounted for as joint venture arrangements. The Group accounts for its own assets, liabilities and cash flows measured in accordance with the terms of the joint arrangement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Interest attributable to the purchase of aircraft and other assets and progress payments on account, whilst such aircraft are undergoing conversion from passenger to freighter or quick change is capitalised and added to the cost of the asset concerned. Interest is capitalised at rates equal to the rates paid on the financial instruments used to finance the purchase and conversion of aircraft.

Depreciation is calculated to write off the cost of property, plant and equipment down to their estimated residual value using the straight-line method over their estimated useful economic lives or the estimated useful economic lives of their individual major components as follows:

Short Leasehold property	Over the life of the lease
Freehold property	30 years
Aircraft and engines	3–10 years
Plant, vehicles and equipment	3–7 years
Freehold land	Not depreciated

An element of the cost of a new aircraft is attributed on acquisition to prepaid maintenance of its engines and airframes and is amortised over a period ranging from one to ten years from the date of acquisition. Subsequent costs incurred which lend enhancement to future periods such as long-term scheduled maintenance and major overhaul of aircraft and engines are capitalised and amortised over the length of period benefiting from the enhancements. All other maintenance costs are expensed to the income statement as incurred.

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalently aged assets and depreciation rates adjusted accordingly on a prospective basis. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less that its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

At each balance sheet date, an assessment is made to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or has decreased. Where such an indication exists, an impairment loss is reversed to the extent that the assets carrying value does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2. Accounting policies – continued

Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is allocated to cash-generating units and is not amortised but is subject to an impairment test both annually and when indications of impairment arise. Goodwill is stated at cost less any accumulated impairment losses.

Prior to 1 April 2006, goodwill was amortised over its estimated useful life; such amortisation ceased on 31 March 2006. Goodwill previously written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not taken into account in calculating any profit or loss on disposal of a business.

Goodwill is allocated to a cash-generating unit for the purpose of impairment testing. A cash-generating unit is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets, or Groups of assets. Impairment of goodwill is not reversed.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is that which would arise on sales in the normal course of business.

Aircraft spares held for long term use are classified within tangible fixed assets within the Financial Statements.

Aircraft maintenance provisions

The Group operates a power by the hour contract for the maintenance of its B737 engines. This contract fixes the maintenance costs for the overhaul of these engines and payments are made to the maintenance provider to reflect usage.

Amounts payable under this contract are held in the balance sheet until an individual engine overhaul is undertaken. At such an event, the notional cost of overhaul is capitalised and then depreciated in line with usage, over the remaining life of the aircraft.

Leased aircraft

Provision is made for the estimated future costs of major overhauls of leased airframes, engines and auxiliary power units by making appropriate charges to the income statement calculated by reference to the number of hours or cycles operated during the year as a consequence of aircraft rectification obligations arising from the operating lease agreements.

Owned aircraft

The accounting for maintenance expenditure on owned aircraft, other than that performed under power by the hour contracts, is as set out under *Property, plant and equipment* above.

Borrowings

All borrowings are stated at the fair value of consideration received after deduction of issue costs. Issue costs together with other finance costs are charged to the income statement over the period of the term of the borrowings at a constant rate, or more quickly if appropriate. Issue and finance costs are deducted from the carrying value of those borrowings.

Cash and cash equivalents

Cash equivalents are defined as including short term deposits with original maturity within three months and restricted cash paid over to hedging counterparties as collateral against mark to market exposures. For the purposes of the consolidated cash flow statement, bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes to the Consolidated Financial Statements

continued

2. Accounting policies – continued

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these Financial Statements for called up share capital and share premium accounts exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of the finance expenses. Finance payments associated with financial instruments that are classified as equity are dividends and recorded directly in equity.

Financial instruments

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised costs, using the effective interest method, less any impairment loss.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised costs, using the effective interest method, less any impairment loss.

Interest bearing loans and borrowing

All loans and borrowings are initially recorded at the fair value of their net proceeds. Thereafter they are measured at amortised cost using the effective interest method.

Derivative financial instruments and hedging

The Group uses forward foreign currency contracts, currency option products and aviation fuel swaps and options to hedge exposure to foreign exchange rates and aviation fuel price volatility. Such derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement unless hedge accounting is applied.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument from the inception of the hedging relationship is recognised directly in a hedging reserve within equity. Any ineffective portion is recognised within finance costs/income in the income statement.

When the hedged highly probable forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of that asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

For all other cash flow hedges, the recycling of the cash flow hedge is taken to the income statement (left hand column) in the same period in which the hedged commitment affects profit or loss. For all hedges entered into prior to 1 April 2007, a notional recycling adjustment is made at that time from the left hand column to the middle column.

Leases

Rental charges on operating leases are charged to the income statement on a straight-line basis over the life of the lease.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. Accounting policies – continued

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred income tax assets and liabilities are only offset when there is a legally enforceable right to offset current taxes in that jurisdiction and when the deferred income taxes relate to the same fiscal authority and there is an intention to settle the balance net.

Employee benefits

Defined contribution plans

All Group pensions are provided from the proceeds of money purchase schemes. The charge to the income statement represents the payments due during the year.

Share based payments

The Company issues equity settled share based payments to certain employees. The fair value of employee share option plans is measured at the date of grant of the option using the binomial valuation model. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At each balance sheet date before vesting the cumulative expense is calculated, based on the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market vesting conditions, and hence the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in profit and loss.

The Group has applied the exemption available under IFRS 1 to apply IFRS 2 only to those options granted after 7 November 2002, which were invested as of 1 April 2006.

3. Accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Directors in the application of the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements are discussed below.

Goodwill

Goodwill was tested for impairment on transition to IFRS and annually thereafter, with no impairment identified. The smallest cash generating unit to which goodwill is attributable is Fowler Welch-Coolchain whose principal activity is temperature-controlled distribution. The impairment review takes account of the recoverable amount of this cash generating unit which is based on a value in use calculation utilising the unit's annual budget for the forthcoming year and forecasts for the following four years. Thereafter growth rates in the range of 0-2.5% (2008: 0-2.5%) have been assumed. Projected cash flows have been discounted utilising a discount rate of 8% (2008: 7.5%).

The key sensitivity in this calculation is the discount rate used, although the Directors consider that it is unlikely that any currently foreseeable change in the discount rate would give rise to impairment.

The amount of goodwill with an indefinite life at the balance sheet date was £6.8m (2008: £6.8m). No impairment losses were recorded during the year.

Notes to the Consolidated Financial Statements

continued

3. Accounting estimates and judgements – continued

Impairment of assets excluding goodwill

Aircraft carrying values were tested for impairment on transition to IFRS and annually thereafter, with no impairment identified. The smallest cash generating unit to which this can be applied is by aircraft fleet type.

The carrying amounts of aircraft were £165.6m (2008: £170.0m). No impairment losses were recorded during the year.

Residual value of tangible fixed assets

Judgements have been made in respect of the residual values of aircraft included in property, plant and equipment. Those judgements determine the amount of depreciation charged in the income statement.

4. New standards and interpretations not applied

The IASB and IFRIC have issued the following standards and interpretations, with an effective date after the date of these Financial Statements. Their adoption is not expected to have a material affect on the Financial Statements of the Group except for additional segmental disclosures when IFRS 8 comes into effect.

International Accounting Standards Board	
New and revised standards	Applies to periods beginning after
IAS 27 (Revised) *Consolidated and Separate Financial Statements*	1 July 2009
IFRS 3 (Revised) *Business Combinations*	1 July 2009
IFRS 8 *Operating Segments*	1 January 2009
Amendments to standards	
IAS 1 *Presentation of Financial Statements (Revised Presentation)*	1 January 2009
IAS 1 *Presentation of Financial Statements (Puttable Instruments and Obligations arising on Liquidation)*	1 January 2009
IAS 23 *Borrowing Costs (Removal of Option to Expense)*	1 January 2009
IAS 27 *Consolidated and Separate Financial Statements (Investment in Subsidiaries)*	1 January 2009
IAS 32 *Financial Instruments (Puttable Instruments and Obligations Arising on Liquidation)*	1 January 2009
IAS 39 *Financial Instruments: Recognition and Measurement (Reclassification of Financial Assets)*	1 July 2008
IFRS 2 *Share Based Payments (Vesting Conditions and Cancellations)*	1 January 2009
2007 Annual Improvements to IFRS	1 January 2009
International Financial Reporting Interpretations Committee	
IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*	1 January 2009

5. Segmental reporting

Business segments

The primary reporting segment format is business segments as the Group's risk and rates of return are affected predominantly by the different services provided. Secondary segmental information is reported geographically.

Year ended 31 March 2009

	Distribution £m	Aviation £m	Unallocated £m	Total continuing £m
Revenue	112.9	326.4	–	**439.3**
Operating profit before specific fair value adjustments	4.1	31.1	–	**35.2**
Specific fair value adjustments	–	4.7	–	**4.7**
Operating profit after specific fair value adjustments	4.1	35.8	–	**39.9**
Profit on disposal of property, plant and equipment	–	–	–	**–**
Finance income	–	0.8	0.1	**0.9**
Finance costs	–	(2.8)	(4.5)	**(7.3)**
Profit/(loss) before taxation	4.1	33.8	(4.4)	**33.5**
Taxation	–	–	(6.4)	**(6.4)**
Profit/(loss) for the year after taxation	**4.1**	**33.8**	**(10.8)**	**27.1**
Asset and Liabilities				
Segment assets	39.6	237.3	–	**276.9**
Unallocated assets †	–	–	12.8	**12.8**
Total Assets	39.6	237.3	12.8	**289.7**
Segment liabilities	(15.5)	(180.6)	–	**(196.1)**
Unallocated liabilities ††	–	–	(0.2)	**(0.2)**
Total Liabilities	(15.5)	(180.6)	(0.2)	**(196.3)**
Net ssets A	**24.1**	**56.7**	**12.6**	**93.4**
Other Segment Information				
Property, plant and equipment additions	1.8	26.1	–	**27.9**
Depreciation, amortisation and impairment	(0.7)	(30.0)	–	**(30.7)**

† Unallocated assets include £11.8m cash and cash equivalents managed on a Group basis and £1.0m of recoverable Income taxes.
†† Unallocated liabilities include £0.2m of recoverable foreign taxes.

Notes to the Consolidated Financial Statements

continued

5. Segmental reporting – continued

Year ended 31 March 2008

	Distribution £m	Aviation £m	Unallocated £m	**Total continuing £m**
Revenue	120.5	308.8	–	**429.3**
Operating profit before specific fair value adjustments	5.3	0.3	–	**5.6**
Specific fair value adjustments	–	7.9	–	**7.9**
Operating profit after fair value adjustments	5.3	8.2	–	**13.5**
Profit on disposal of property, plant and equipment	–	1.3	–	**1.3**
Finance income	–	2.6	0.1	**2.7**
Finance costs	–	(1.3)	(4.4)	**(5.7)**
Profit/(loss) before taxation	5.3	10.8	(4.3)	**11.8**
Taxation	–	–	(3.1)	**(3.1)**
Profit/(loss) for the year after taxation	**5.3**	**10.8**	**(7.4)**	**8.7**
Asset and Liabilities				
Segment assets	39.7	228.2	–	**267.9**
Unallocated assets †	–	–	4.7	**4.7**
Total Assets	39.7	228.2	4.7	**272.6**
Segment liabilities	(16.0)	(160.8)	–	**(176.8)**
Unallocated liabilities ††	–	–	(21.4)	**(21.4)**
Total Liabilities	(16.0)	(160.8)	(21.4)	**(198.2)**
Net Assets/(Liabilities)	**23.7**	**67.4**	**(16.7)**	**74.4**
Other Segment Information				
Property, plant and equipment additions	1.1	37.4	–	**38.5**
Depreciation, amortisation and impairment	(1.0)	(29.3)	–	**(30.3)**

† Unallocated assets include £4m cash and cash equivalents managed on a Group basis and £0.7m of recoverable Income taxes.
†† Unallocated liabilities include £21.2m of borrowings managed on a Group basis and £0.2m of recoverable foreign taxes.

Geographical segments	**2009 £m**	2008 £m
Revenue arising:		
Within the United Kingdom and the Channel Islands	**167.4**	175.3
Between the United Kingdom and Mainland Europe	**264.9**	254.0
Other	**7.0**	–
	439.3	429.3

There is no inter-divisional segmental revenue included within the above analysis. Segment assets are principally located in the UK and all capital expenditure arises principally in the UK.

6. Net operating expenses

	2009 £m	2008 £m
Direct operating costs		
Fuel	**103.8**	105.4
Landing, navigation & handling	**67.7**	60.7
Aircraft and vehicle rentals	**11.4**	21.9
Maintenance costs	**16.6**	16.2
Subcontractor charges	**27.3**	32.7
Fair value movements on derivatives	**(4.7)**	(7.9)
Other direct operating costs	**28.1**	46.2
Staff costs	**86.3**	83.7
Depreciation of property plant and equipment	**30.7**	30.3
Other operating charges	**33.4**	28.6
Other operating income	**(1.2)**	(2.0)
	399.4	415.8

Other operating income includes rents receivable, proceeds from the disposal of airport slots and other sundry income.

7. Operating profit

	2009 £m	2008 £m
Operating profit is stated after charging:		
Operating lease rentals: land and buildings	**1.6**	1.6
plant and machinery	**10.4**	19.9

Auditor's Remuneration	2009 £m	2008 £m
Audit of these Financial Statements	**0.1**	0.1
Amounts receivable by Auditors and their associates in respect of:		
Audit of Financial Statements of subsidiaries pursuant to legislation	**0.1**	0.1
Other services pursuant to such legislation	**–**	–
Other services relating to taxation	**0.1**	0.1

8. Net finance costs

	2009 £m	2008 £m
Finance income		
Interest receivable	**0.1**	0.1
Interest payable capitalised within property, plant and equipment	**–**	–
Exchange gains on financial instruments (note 21)	**0.8**	2.6
	0.9	2.7

Notes to the Consolidated Financial Statements

continued

8. Net finance costs – continued

	2009 £m	2008 £m
Finance costs		
Borrowings	**(2.7)**	(3.9)
Ineffective portion of charges in volume in cashflow hedges (note 21)	**(2.8)**	(1.3)
Other interest payable	**(1.8)**	–
Net foreign exchange losses on cash and borrowings	**–**	(0.5)
	(7.3)	(5.7)
Net finance costs	**(6.4)**	(3.0)

Included within Borrowing costs is £1.7m of amortised borrowing arrangement fees written off following the bank refinancing activities.

9. Employees

The average monthly number of persons, including executive Directors, employed by the Group during the year was:

	2009 Number	2008 Number
Continuing operations		
Operations	**2,089**	2,026
Administration	**484**	397
	2,573	2,423

	2009 £m	2008 £m
Wages and salaries	**76.9**	75.7
Share options – value of employee services	**0.2**	0.2
Social security costs	**7.4**	6.5
Other pension costs	**1.8**	1.3
	86.3	83.7

Remuneration of the Directors, who are key management personnel of the Group, is set below in aggregate. Further details of Directors' remuneration along with information concerning options and retirement benefits are set out in the Report on Directors' Remuneration on pages 15 to 18. There are no personnel, other than the Directors, who as key management have authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of Dart Group PLC. No member of key management had any material interest during the year in a contract of significance (other than a service contract) with the Company or any of its subsidiaries.

	2009 £m	2008 £m
Short term employee benefits	**3.5**	2.8
Post-employment benefits	**0.3**	0.3
Share based payments	**–**	0.1
Total employee benefit costs of key management personnel	**3.8**	3.2

10. Taxation

	2009 £m	2008 £m
Current taxation:		
UK Corporation Tax based upon the profits for the year:		
– current year	**–**	–
– prior year	**(0.5)**	(0.2)
– foreign tax	**–**	0.2
Current tax charge for the year	**(0.5)**	–
Deferred taxation:		
Origination and reversal of temporary differences		
– current year	**7.6**	3.7
– prior year	**(0.7)**	0.4
Rate changes	**–**	(1.0)
	6.9	3.1
Total tax in income statement for the year	**6.4**	3.1

The current tax assessed for the year is lower (2008 – lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2009 £m	2008 £m
Profit before taxation	**33.5**	11.8
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 28%)	**9.4**	3.5
Effects of:		
Expenses not deductible for tax purposes	**–**	0.5
Recognition of previously unrecognised tax losses	**(3.6)**	–
Industrial building allowances	**1.3**	–
Current year losses for which no deferred tax asset was recognised	**0.5**	–
Lower tax rates on overseas earnings	**–**	(0.1)
Tax rate change	**–**	(1.0)
Prior year tax (credit) / charge	**(1.2)**	0.2
Total (see above)	**6.4**	3.1

The net deferred tax liability in the balance sheet is as follows:

	2009 £m	2008 £m
Deferred tax assets	**10.8**	2.8
Deferred tax liabilities	**(29.8)**	(18.6)
	(19.0)	(15.8)

Notes to the Consolidated Financial Statements

continued

10. Taxation – continued

The movement in the net deferred tax liability is as follows:

	2009 £m	2008 £m
As at 1 April	**(15.8)**	(8.8)
Charge to income statement	**(6.9)**	(3.1)
Taken direct from / (to) equity	**3.7**	(3.9)
	(19.0)	(15.8)

Movements in deferred tax assets and liabilities prior to offset are shown below:

	Deferred tax assets
	Financial instruments £m
At 1 April 2007	5.5
Credit to income	(2.9)
Credit to equity	0.2
At 31 March 2008	2.8
Credit to income	0.3
Credit to equity	7.7
At 31 March 2009	**10.8**

	Deferred tax liabilities			
	Accelerated capital allowances £m	Financial instruments £m	Other £m	**Total £m**
At 1 April 2007	13.9	–	0.4	**14.3**
Charge to income	0.2	–	–	**0.2**
Charge to equity	–	4.1	–	**4.1**
At 31 March 2008	14.1	4.1	0.4	**18.6**
Charge to income	5.5	1.7	–	**7.2**
Charge to equity	–	4.0	–	**4.0**
At 31 March 2009	**19.6**	**9.8**	**0.4**	**29.8**

There is £1.1m of unrelieved tax losses not provided for at the current year end (2008: £4.7m unrelieved tax losses).

11. Dividends

	2009 £m	2008 £m
Interim £nil pence (2008 – 0.65 pence) per share – paid	–	0.9
Final £nil pence (2008 – 1.43 pence) per share – paid	–	2.0
	–	2.9

After the balance sheet date dividend of 0.71p per ordinary share (2008: £nil) was proposed by the Directors. The dividend has not been provided for.

12. Earnings per share

Earnings per share is presented both before specific IAS 39 fair value movements and after specific IAS 39 fair value movements in order to allow a better understanding of the financial information presented, and specifically the Group's underlying business performance. Further details of the specific IAS 39 fair value movements can be found in note 21 to these Consolidated Financial Statements.

	2009 No.	2008 No.
Basic weighted average number of shares in issue	141,065,694	141,029,664
Dilutive potential ordinary shares:		
Employee share options	3,524 ,964	2,062,732
Diluted weighted average number of shares in issue	144,590,658	143,092,396

Basis of calculation – earnings (basic and diluted)	£m	£m
Profit before specific IAS 39 fair value movements	23.7	3.1
Specific IAS 39 fair value movements	3.4	5.6
Profit after specific IAS 39 fair value movements for the purposes of calculating basic and diluted earnings	27.1	8.7

	Year to 31 March 2009		Year to 31 March 2008	
	Before specific IAS 39 fair value movements	After specific IAS 39 fair value movements	Before specific IAS 39 fair value movements	After specific IAS 39 fair value movements
Earnings per share				
– basic	16.87p	19.27p	2.15p	6.18p
– diluted	16.46p	18.80p	2.12p	6.13p

13. Goodwill

	£m
Cost	
As at 1 April 2007, 1 April 2008 and 31 March 2009	6.8
Impairment provision	
As at 1 April 2007, 1 April 2008 and 31 March 2009	–
Net book value	
As at 31 March 2008 and 31 March 2009	**6.8**

Notes to the Consolidated Financial Statements

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14. Property, plant and equipment

	Freehold property £m	Short leasehold property £m	Aircraft & engines £m	Plant, vehicles & equipment £m	**Total £m**
Cost					
At 1 April 2007	16.3	2.0	260.7	21.2	**300.2**
Additions	1.0	–	32.7	4.8	**38.5**
Disposals	–	–	–	(1.7)	**(1.7)**
At 1 April 2008	17.3	2.0	293.4	24.3	**337.0**
Additions	1.5	–	22.7	3.7	**27.9**
Disposals	–	–	–	(0.6)	**(0.6)**
At 31 March 2009	**18.8**	**2.0**	**316.1**	**27.4**	**364.3**
Depreciation					
At 1 April 2007	(2.8)	(1.4)	(96.3)	(14.2)	**(114.7)**
Charge for the year	(0.6)	–	(27.1)	(2.6)	**(30.3)**
Disposals	–	–	–	1.4	**1.4**
At 1 April 2008	(3.4)	(1.4)	(123.4)	(15.4)	**(143.6)**
Charge for the year	(0.6)	–	(27.1)	(3.0)	**(30.7)**
Disposals	–	–	–	0.5	**0.5**
At 31 March 2009	**(4.0)**	**(1.4)**	**(150.5)**	**(17.9)**	**(173.8)**
Net book value					
At 31 March 2009	**14.8**	**0.6**	**165.6**	**9.5**	**190.5**
At 31 March 2008	13.9	0.6	170.0	8.9	193.4
At 31 March 2007	13.5	0.6	164.4	7.0	185.5

Included within the cost of aircraft and engines is £1.6m of interest capitalised. Aircraft and engine additions in the year include £nil (2008 – £0.8m) of interest capitalised.

15. Inventories

	2009 £m	2008 £m
Consumables	**0.4**	0.3

Included within direct operating costs of sales are £12.5m (2008: £11.7m) of inventories utilised and recognised as an expense in the year. Included within direct operating costs is £0.4m (2008: £0.4m) of inventories written down and recognised as an expense in the year.

16. Cash and cash equivalents

	2009 £m	2008 £m
Cash at bank and in hand	**11.8**	4.0

Included within Cash is £8.1m (2008: £nil) of cash paid over to hedging counterparties as collateral against mark to market exposures. These balances are considered to be restricted.

17. Trade and other receivables

Current:	2009 £m	2008 £m
Trade receivables	**25.3**	35.5
Amounts due from joint venture parties (note 28)	**6.0**	2.4
Income taxes	**1.0**	0.6
Other receivables	**12.8**	11.5
	45.1	50.0

Included within Other receivables is £2.4m (2008: £1.3m) recoverable after more than one year.

Ageing analysis of Trade receivables

	31 March 2009			31 March 2008		
	Gross Receivables	**Provision for doubtful debts**	**Net Trade receivables**	Gross Receivables	Provision for doubtful debts	Net Trade receivables
Not past due	**23.9**	**–**	**23.9**	34.7	–	34.7
Up to 1 month past due	**0.7**	**–**	**0.7**	0.3	–	0.3
Over 1 month past due	**0.9**	**(0.2)**	**0.7**	0.6	(0.1)	0.5
	25.5	**(0.2)**	**25.3**	35.6	(0.1)	35.5

18. Trade and other payables

Current:	2009 £m	2008 £m
Trade payables	**18.5**	29.6
Overseas taxes	**0.2**	0.2
Other taxation and social security	**4.8**	4.5
Deferred income	**95.1**	96.9
Other creditors and accruals	**21.3**	15.9
	139.9	147.1

Notes to the Consolidated Financial Statements

continued

19. Other non-current liabilities

	2009	2008
	£m	£m
Other creditors and accruals	**6.4**	2.9

20. Borrowings

	2009	2008
	£m	£m
Bank loans	**–**	21.2

Loans are repayable as follows:

	2009	2008
	£m	£m
Within one year	**–**	–
Between one and two years	**–**	–
Between two and five years	**–**	21.2
Over five years	**–**	–
	–	21.2

Bank loans represent part of the Group's revolving credit facilities and were repaid during the year.

The loan above of £nil (2008 – £21.2m) is net of £nil (2008 – £0.8m) of facility arrangement fees which have been fully amortised during the year.

The loan balances of £nil (2008 – £21.2m) bear interest at variable rates of up to 3.75% (2008 – up to 1.45%) over LIBOR, and are secured over the Group's aircraft and freehold properties.

As noted in note 29 to the Group accounts, following the year end the Group has completed a refinancing of its bank facilities.

21. Financial instruments

An explanation of the Group's objectives, policies and strategies for the role of financial instruments in managing the risks of the Group can be found in the Business and Financial Review on pages 4 to 9.

Currency derivatives

The Group is exposed to currency risk on purchases that are denominated in a currency other than sterling. The currencies in which these transactions are primarily denominated are US Dollar and Euro. The Group can experience adverse or beneficial effects arising from foreign exchange rate movements. The Group seeks to reduce foreign exchange exposures arising from transactions in various currencies through a policy of matching, as far as possible, receipts and payments in each individual currency.

The Group uses forward foreign exchange contracts to hedge its exposure to movements in the US Dollar and Euro exchange rates as a result of its aviation activities.

21. Financial instruments – continued

Commodity derivatives – aviation fuel

The Group uses fuel swaps and fuel collars to hedge its exposure to movements in jet fuel prices in its aviation activities.

These instruments were designated as cash flow hedges and accounted for as such under UK GAAP. At transition to IFRS, gains and losses on these instruments were recognised in equity.

Under IAS 39, the forward currency derivatives and fuel swaps are eligible for cash flow hedge accounting, but for the year ended 31 March 2007 the appropriate hedge documentation required by IAS 39 was not in place such that although these instruments acted as economic hedges during that period, hedge accounting was not available and movements in fair value were taken to profit and loss. Movements in fair value are summarised in section (b) below.

Cash flow hedges relate to forecast cash flows through to 30 September 2011.

(a) Carrying amount and fair values of financial instruments

Set out below is a comparison by category of the carrying amounts and fair value of all the Group's financial assets and liabilities as at 31 March 2009.

Financial assets	31 March 2009 Carrying amount £m	31 March 2008 Carrying amount £m
Financial assets:		
Cash and cash equivalents	**11.8**	4.0
Loans and receivables:		
Trade receivables	**25.3**	35.5
At fair value through profit or loss:		
Forward US Dollar contracts	**–**	0.5
Designated cash flow hedge relationships:		
Forward US Dollar contracts	**21.4**	0.2
Forward Euro contracts	**–**	2.1
Forward Jet Fuel contracts	**13.7**	12.5
Total financial assets	**72.2**	54.8

There are no differences between the carrying values of the Group's financial assets and their fair values.

Financial liabilities	31 March 2009 Carrying amount £m	31 March 2009 Fair value £m	31 March 2008 Carrying amount £m	31 March 2008 Fair value £m
Financial liabilities at amortised cost:				
Trade payables	**18.5**	**18.5**	29.6	29.6
Bank loans	**–**	**–**	21.2	22.0
Designated cash flow hedge relationships:				
Forward US Dollar contracts	**–**	**–**	8.4	8.4
Forward Euro contracts	**0.1**	**0.1**	–	–
Forward Jet Fuel contracts	**30.9**	**30.9**	–	–
Total financial liabilities	**49.5**	**49.5**	59.2	60.0

Notes to the Consolidated Financial Statements

continued

21. Financial instruments – continued

The methods and assumptions used to estimate fair values of financial assets and liabilities are as follows:

- fair values are based on market values of equivalent instruments at the balance sheet date;
- due to their short maturities, the fair values of trade receivables, other receivables and trade payables have been stated at their book value;
- the fair value of the Group's foreign currency and fuel swaps and options have been measured by reference to the fair value of the instruments, as provided by external counterparties; and
- the fair value of fuel derivatives is based on the expected full recovery of these assets from the relevant counterparties.

(b) Movements in fair value of financial instruments

Net movements in fair value of financial instruments are as follows:

	Cash flow hedges		Not designated as hedges		Total	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Net carrying amount at 1 April 2007	–	–	1.6	(18.1)	1.6	(18.1)
Reclassifications	–	(11.5)	–	11.5	–	–
Transfers to / (from) equity	14.8	(0.6)	–	–	14.8	(0.6)
Charged in income statement	–	4.5	(1.1)	5.8	(1.1)	10.3
At 31 March 2008	14.8	(7.6)	0.5	(0.8)	15.3	(8.4)
Transfers to / (from) equity	15.9	(21.0)	–	–	15.9	(21.0)
Charged / (credited) in income statement	4.4	(2.4)	(0.5)	0.8	3.9	(1.6)
At 31 March 2009	**35.1**	**(31.0)**	**–**	**–**	**35.1**	**(31.0)**

Following the introduction of hedge documentation from 1 April 2007, existing derivative financial instruments have been reclassified as effective cash flow hedges with subsequent fair value movements in fair values being taken through equity.

	2009 £m	2008 £m
Amounts credited in the Income statement		
Operating expenses		
Fair value movements – Fuel derivatives	**–**	2.3
Fair value movements – Forward currency contracts	**–**	4.7
Amounts recycled from equity – Forward currency contracts	**4.7**	0.9
Amount credited as operating expenses	**4.7**	7.9
Finance costs		
Fair value movements – Fuel derivatives	**(2.3)**	1.0
Fair value movements – Forward currency contracts	**0.3**	0.3
	2.7	9.2

21. Financial instruments – continued

(c) Maturity profile of financial assets and liabilities

The maturity profile of the carrying value of the Group's financial assets at the end of the year was as follows:

Financial Assets	31 March 2009 Derivative financial instruments £m	31 March 2009 Other loans & payables £m	31 March 2009 Total £m	31 March 2008 Derivative financial instruments £m	31 March 2008 Other loans & payables £m	31 March 2008 Total £m
< 1 Year	**32.7**	**37.1**	**69.8**	13.7	38.2	51.9
1 – 2 Years	**2.4**	**–**	**2.4**	1.6	1.3	2.9
2 – 5 years	**–**	**–**	**–**	–	–	–
	35.1	**37.1**	**72.2**	15.3	39.5	54.8

The maturity profile of the carrying value of the Group's financial liabilities at the end of the year was as follows:

Financial Liabilities	31 March 2009 Derivative financial instruments £m	31 March 2009 Other loans & payables £m	31 March 2009 Total £m	31 March 2008 Derivative financial instruments £m	31 March 2008 Other loans & payables £m	31 March 2008 Total £m
< 1 Year	**30.8**	**18.5**	**49.3**	5.9	29.6	35.5
1 – 2 Years	**0.2**	**–**	**0.2**	2.5	–	2.5
2 – 5 years	**–**	**–**	**–**	–	21.2	21.2
	31.0	**18.5**	**49.5**	8.4	50.8	59.2

The Group is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable. However, the Group has policies and procedures in place to ensure such risk is limited by placing credit limits on each counterparty. The Group continuously monitors such limits and defaults by counterparties, incorporating this information into credit risk controls. The Group does not hold any collateral to mitigate this exposure.

The maximum credit exposure to credit risk is limited to the carrying value of each asset as summarised above.

(d) Borrowing facilities

The Group has various borrowing facilities available to it. The total borrowing facilities available at 31 March 2009 in respect of which all conditions precedent had been met at that date are as follows:

	Amounts drawn down 2009 £m	Amounts drawn down 2008 £m	Facilities available 2009 £m	Facilities available 2008 £m
Committed facilities:				
Revolving credit facility	**–**	21.2	**100.0**	100.0
Bank overdrafts	**–**	–	**10.0**	10.0
	–	21.2	**110.0**	110.0

Notes to the Consolidated Financial Statements

continued

21. Financial instruments – continued

The outstanding loan shown above is disclosed net of amortising arrangement fees as disclosed in note 20 to the accounts.

Of the £100.0m revolving credit facility, which at 31 March 2009 was committed until December 2009, £64.5m (2008: £76.5m) was committed to a Letter of Credit issued to a credit card processing company with respect to ***Jet2.com*** advance ticket sales.

As reflected in note 29, following the year end certain revisions have been made to the Group's borrowing facilities

(e) Interest rate risk

Financial Assets

	31 March 2009			31 March 2008		
	Floating rate financial assets £m	**Financial assets on which no interest is payable £m**	**Total £m**	Floating rate financial assets £m	Financial assets on which no interest is payable £m	Total £m
Sterling	**–**	**10.9**	**10.9**	–	–	–
US dollar	**–**	**–**	**–**	–	–	–
Other	**–**	**0.9**	**0.9**	4.0	–	4.0
	–	**11.8**	**11.8**	4.0	–	4.0

The floating rate financial assets comprise cash on money market deposits at various market rates according to their currency. The Group operates composite bank accounts which allow the offset of individual bank and overdraft accounts in different currencies.

Financial Liabilities

	31 March 2009			31 March 2008		
	Floating rate financial liabilities £m	**Financial liabilities on which no interest is payable £m**	**Total £m**	Floating rate financial liabilities £m	Financial liabilities on which no interest is payable £m	Total £m
Sterling	**–**	**–**	**–**	21.2	–	21.2

The floating rate liabilities comprise aircraft mortgages and bank overdrafts which bear interest at rates of up to 3.75% (2008 – 1.45%) over LIBOR.

21. Financial instruments – continued

The following table illustrates the sensitivity of financial instruments on profit before tax for the year to a reasonably possible change in interest rate with effect from the beginning of the year. The calculations are based on financial instruments held at each balance sheet date with all other variables held constant.

	31 March 2009 Effect on profit before tax 100 basis points + / – £m	31 March 2008 Effect on profit before tax 100 basis points + / – £m
Group		
Floating rate instruments	**–**	0.3

(f) Currency Exposure

Financial instruments that are not denominated in the functional currency of the operating unit involved expose the Group to a currency risk. The table below shows the carrying value of the Group's financial instruments at 31 March 2009, including derivative financial instruments, on which exchange differences would be recognised in the income statement in the following year.

Currency	US Dollar £m	Euro £m	Other £m	Total £m
2009				
Sterling	**45.2**	**(2.4)**	**0.6**	**43.4**
2008				
Sterling	(4.6)	(1.1)	(0.2)	(5.9)

(g) Sensitivity analysis

The following table shows the impact of currency translation exposures arising from monetary assets and liabilities of the Group that are not denominated in sterling along with the impact to a reasonable possible change in fuel prices, with all other variables held constant.

	31 March 2009 + / – £m	31 March 2008 + / – £m
10% change in Jet Fuel prices	**–**	0.4
5% movement of sterling	**2.1**	2.2

22. Called up share capital

	Number of shares	**2009 £m**	2008 £m
Authorised ordinary shares of 1.25p each	160,000,000	**2.0**	2.0
Allotted, called-up and fully paid			
As at 1 April 2008	141,065,694	**1.8**	1.8
Options exercised	–	**–**	–
As at 31 March 2009	**141,065,694**	**1.8**	**1.8**

Notes to the Consolidated Financial Statements

continued

22. Called up share capital – continued

The Company received the sum of £nil (2008 – £0.1m) in respect of options exercised during the year.

Employee share schemes

Dart Group PLC has a number of share based options schemes in operation, which are described in detail in the Report on Directors' Remuneration on pages 15 to 18 of this annual report. These plans have been accounted for in accordance with the fair value recognition provisions of IFRS 2, *"Share based payments"* which means that IFRS 2 has been applied to all grants of employee share based payments that had not vested at 31 March 2009.

The total expenses recognised for the period arising from share based payments are as follows:

	2009 **£m**	2008 £m
Equity settled share based payments	**0.2**	0.2

Summary of options outstanding

The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares:

The Company has granted options to employees under the Dart Group 2002 Unapproved Share Option Scheme in respect of 900,000 (2008 – 900,000) ordinary shares of 1.25p each. At 31 March 2009 the following options had not been exercised:

Number of shares	*Option price*	*Options exercisable*
320,000	47.50p per share	In respect of all shares before the options expire on 18 November 2012.
580,000	31.25p per share	In respect of 170,000 shares from 5 December 2006 and in respect of all remaining shares from 5 December 2009. The options expire on 5 December 2013.

The Company has granted options to employees under the Dart Group Unapproved Share Option Plan 2005 in respect of 1,568,758 (2008 – 955,200) ordinary shares of 1.25p each. At 31 March 2009 the following options had not been exercised:

Number of shares	*Option price*	*Options exercisable*
835,200	78.50p per share	In respect of half of the shares from 21 November 2008 and in respect of all remaining shares from 21 November 2011. The options expire on 21 November 2015.
733,558	24.75p per share	In respect of half of the shares from 4 September 2009 and in respect of all remaining shares from 4 September 2012. The options expire on 4 September 2016.

The Company has granted options to employees under the Dart Group Executive and Dart Group Company Share Option Schemes in respect of 983,344 (2008 – 1,211,476) ordinary shares of 1.25p each. At 31 March 2009 the following options had not been exercised:

Number of shares	*Option price*	*Options exercisable*
10,000	52.50p per share	In respect of all shares before the options expire on 12 July 2009.
4,000	52.50p per share	In respect of all shares before the options expire on 3 December 2009.
60,000	64.375p per share	In respect of all shares before the options expire on 19 July 2010.
61,492	75.625p per share	In respect of all shares before the options expire on 17 November 2010.
18,000	88.75p per share	In respect of all shares before the options expire on 25 June 2011.
48,000	72.625p per share	In respect of all shares before the options expire on 19 November 2011.
61,432	65.875p per share	In respect of 41,136 shares from 3 July 2005 and in respect of all remaining shares from 3 July 2009. The options expire on 3 July 2012.

22. Called up share capital – continued

Number of shares	*Option price*	*Options exercisable*
46,420	47.50p per share	In respect of all shares before the options expire on 18 November 2012.
78,000	37.125p per share	In respect of 24,000 shares from 3 July 2006 and in respect of all remaining shares from 3 July 2009. The options expire on 3 July 2013.
306,000	31.25p per share	In respect of 114,000 shares from 5 December 2006 and in respect of all remaining shares from 5 December 2009. The options expire on 5 December 2013.
112,000	37.125p per share	In respect of 48,000 shares from 21 June 2008 and in respect of all remaining shares from 21 June 2010. The options expire on 21 June 2014.
178,000	78.75p per share	In respect of half of the shares from 19 November 2008 and in respect of all remaining shares from 19 November 2010. The options expire on 19 November 2014.

The Company has granted options to employees under the Dart Group PLC Approved Share Option Plan 2005 in respect of 3,797,270 (2008 – 1,126,268) ordinary shares of 1.25p each. At 31 March 2009 the following options had not been exercised:

Number of shares	*Option price*	*Options exercisable*
534,800	79.125p per share	In respect of 262,400 shares from 23 November 2009 and in respect of all remaining shares from 23 November 2011. The options expire on 23 November 2015
351,468	101.75p per share	In respect of half of the shares from 3 August 2010 and in respect of all remaining shares from 3 August 2013. The options expire on 21 June 2017.
115,000	53.25p per share	In respect of half of the shares from 18 December 2010 and in respect of all remaining shares from 18 December 2013. The options expire on 18 December 2017.
2,796,002	24.75p per share	In respect of half of the shares from 4 September 2011 and in respect of all remaining shares from 4 September 2014. The options expire on 4 September 2018.

Details of the awards made during the year and the key assumptions used in determining the fair value for these awards are as detailed below:

2009 Approved share option plan 2005		Number Granted	Fair value at measurement date	Share price at date of grant	Exercise price	Dividend Yield	Employee exit rate	Expected volatility	Risk free interest rate
Grant	#1	2,861,002	£0.4m	24.75p	24.75p	1.8%	2.5%	75.0%	4.50%
Unapproved share option plan 2005									
Grant	#1	733,558	£0.1m	24.75p	24.75p	1.8%	2.5%	75.0%	4.50%

Notes to the Consolidated Financial Statements

continued

22. Called up share capital – continued

2008 Approved share option plan 2005	Number Granted	Fair value at measurement date	Share price at date of grant	Exercise price	Dividend Yield	Employee exit rate	Expected volatility	Risk free interest rate
Grant #1	401,468	£0.1m	101.75p	101.75p	1.8%	2%	32.6%	5.35%
Grant #2	130,000	£0.1m	53.25p	53.25p	1.8%	2%	46.2%	4.69%

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial valuation model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received. There are no market conditions associated with the share option grants.

The numbers and weighted average exercise prices of share options are as follows:

	2009		2008	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at 1 April	**3,808,288**	**63.1p**	4,182,100	60.2p
Granted	**3,594,560**	**24.7p**	538,968	90.1p
Exercised (see below)	**–**	**–**	(76,560)	47.0p
Lapsed	**(416,400)**	**63.1p**	(836,220)	62.2p
Outstanding at 31 March	**6,986,448**	**43.4p**	3,808,288	63.1p
Exercisable at 31 March	**1,491,420**	**60.0p**	539,330	42.4p
Estimated weighted average share price of options exercised in year		**–**		110.2p

Options outstanding at 31 March are in respect of all options issued since 7 November 2002 (refer to note 2).

The options outstanding at the year end have an exercise price in the range of 31.25p to 101.75p and a weighted average contractual life of 7.7 years.

23. Reserves

	Share Capital £m	Share Premium £m	Cash flow hedging reserve £m	Retained earnings £m	Translation reserves £m	Total £m
At 1 April 2007	1.8	9.2	0.9	47.1	–	**59.0**
Fair value movements recycled to income statement	–	–	(0.9)	–	–	**(0.9)**
Fair value movements on cash flow hedges	–	–	13.9	–	–	**13.9**
Deferred tax relating to cash flow hedges	–	–	(3.9)	–	–	**(3.9)**
Profit for the year	–	–	–	8.7	–	**8.7**
Currency translation differences	–	–	–	–	0.2	**0.2**
Issue of shares under share option scheme	–	0.1	–	–	–	**0.1**
Reserves movement arising from share based payment charge	–	–	–	0.2	–	**0.2**
Dividends paid in the year	–	–	–	(2.9)	–	**(2.9)**
At 31 March 2008	1.8	9.3	10.0	53.1	0.2	**74.4**
Fair value movements recycled to income statement	–	–	2.3	–	–	**2.3**
Fair value movements on cash flow hedges	–	–	(14.1)	–	–	**(14.1)**
Deferred tax relating to cash flow hedges	–	–	3.7	–	–	**3.7**
Profit for the year	–	–	–	27.1	–	**27.1**
Currency translation differences	–	–	–	–	(0.2)	**(0.2)**
Reserves movement arising from share based payment charge	–	–	–	0.2	–	**0.2**
At 31 March 2009	**1.8**	**9.3**	**1.9**	**80.4**	**–**	**93.4**

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

24. Commitments

(a) Capital commitments:

	2009 £m	2008 £m
Contracted for but not provided	**–**	–

(b) Minimum future commitments under non-cancellable operating leases are as follows:

	Land & Buildings		Plant & Machinery	
Group	**2009 £m**	2008 £m	**2009 £m**	2008 £m
Less than one year	**1.2**	1.1	**9.4**	8.9
Between two and five years	**1.3**	3.4	**20.2**	15.8
Over five years	**0.7**	0.7	**1.6**	1.5
	3.2	5.2	**31.2**	26.2

Notes to the Consolidated Financial Statements

continued

25. Contingent liabilities

The Group has issued various guarantees in the ordinary course of business, none of which are expected to lead to a financial gain or loss.

The Group is currently involved in litigation proceedings in the US against Sutra Inc and Novak Niketic, who provided use of the reservation system operated by ***Jet2.com*** until February 2008, in relation to the termination of the use of this system. An unspecified counterclaim has been lodged which is being vigorously defended by the Group in respect of which the Directors estimate approximately $2.5m liability in the unlikely event that the counterclaim is successful.

26. Notes to the cash flow statement

Changes in net debt

	At 1 April 2008 £m	Cash flow £m	Exchange differences £m	**At 31 March 2009 £m**
Cash at bank and in hand	4.0	7.9	(0.1)	**11.8**
Bank overdrafts	–	–	–	**–**
Cash and cash equivalents	4.0	7.9	(0.1)	**11.8**
Bank loans due after one year	(21.2)	21.2	–	**–**
Net debt	(17.2)	29.1	(0.1)	**11.8**

27. Pension scheme

The Group operates a defined contribution scheme. The pension charge for the period represents contributions payable by the Group to the scheme and amounted to £1.8m (2008 – £1.4m). There were no outstanding or prepaid contributions at either the current or previous year end.

28. Related party transactions

The Group and the Parent Company undertook the following transactions in the ordinary course of business during the year with related parties.

	Group		**Company**	
	2009 £m	2008 £m	**2009 £m**	2008 £m
Sales to subsidiaries	**–**	–	**18.3**	25.3
Purchases from subsidiaries	**–**	–	**–**	–
Sales to joint venture parties	**34.8**	30.6	**–**	–
Amounts owed by subsidiaries	**–**	–	**0.4**	2.3
Amounts owed to subsidiaries	**–**	–	**(72.6)**	(46.1)
Amounts owed by joint venture parties	**6.0**	2.4	**–**	–

28. Related party transactions – continued

Subsidiaries

Transactions with subsidiaries are carried out on an arm's length basis. Outstanding balances that relate to trading balances are placed in inter-company accounts with no specified credit period. Long term loans owed to and from the Company by subsidiary undertakings bear market rates of interest.

Joint Ventures

Jet2.com has entered into a joint venture relationship with Titan Airways Limited. The purpose of the joint venture, Postal Air Network Limited, is to allow the two controlling parties to satisfy a contract as one single entity and accordingly no profits are expected.

Compensation of key management personnel

The key management personnel of the Group comprise the Chairman, Executive and Non-Executive Directors, as outlined on pages 11 to 12 of the Annual Report. The compensation of key management personnel can be found in note 9 to the Group accounts and the Directors' Remuneration Report set out on page 17 of the Annual Report.

29. Post-balance sheet event

Subsequent to the year end, the Group has successfully completed a refinancing of its syndicated facilities. It has concluded three year agreements for the provision of both letter of credit facilities and for the provision of working capital facilities. Together, these facilities meet the Group's foreseeable funding needs and put the Group in a strong position to take advantage of business opportunities as they arise in the future.

Subsequent to the year end, a dividend of 0.71p per ordinary share (2008: £nil) was proposed by the Directors. The dividend has not been provided for.

Company Balance Sheet

at 31 March 2009

	Note	2009 £m	2008 £m
Fixed assets			
Tangible fixed assets	4	**171.5**	174.6
Investments	5	**25.3**	20.8
		196.8	195.4
Current assets			
Inventories		**0.6**	–
Debtors	6	**8.5**	3.8
Cash and cash equivalents		**–**	–
		9.1	3.8
Current liabilities			
Creditors: amounts falling due within one year	7	**(164.8)**	(129.1)
Net current liabilities		**(155.7)**	(125.3)
Total assets less current liabilities		**41.1**	70.1
Creditors: amounts falling due after more than one year	8	**–**	(21.2)
Provisions for liabilities	9	**(19.4)**	(17.4)
Net assets		**21.7**	31.5
Shareholders' equity			
Share capital	10	**1.8**	1.8
Share premium	10	**9.3**	9.3
Profit and loss account	10	**10.6**	20.4
Total shareholders' equity	12	**21.7**	31.5

The accounts on pages 56 to 64 were approved by the Board of Directors at a meeting held on 6 August 2009 and were signed on its behalf by:

A D Merrick
Director

Notes to the Company Financial Statements

for the year ended 31 March 2009

1. Basis of preparation

The Company Financial Statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Principles (UK GAAP).

Under Financial Reporting Standard 1 (Revised) ("FRS"), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Group includes the Company in its own published consolidated Financial Statements.

2. Accounting policies

A summary of the principal accounting policies, which have been consistently applied throughout the year and the preceding year, is set out below.

Foreign currencies

Transactions in foreign currencies have been translated into sterling at the rates applicable when they were completed and monetary assets and liabilities at the year end have been translated at the rates at that date. Differences arising on exchange are reflected in the results for the year.

Investments

Investments are recorded at cost, less provisions for impairment in value where appropriate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Interest attributable to the purchase of aircraft and other assets and progress payments on account whilst such aircraft are undergoing conversion from passenger to freighter or "Quick Change" is capitalised and added to the cost of the asset concerned. Interest is capitalised at rates equal to the rates paid on the financial instruments used to finance the purchase and conversion of aircraft. Depreciation is calculated to write off the cost of property, plant and equipment down to their estimated residual value using the straight-line method over their estimated useful economic lives or the estimated useful economic lives of their individual major components as follows:

Short Leasehold property	Over the life of the lease
Freehold property	30 years
Aircraft and engines	3–10 years
Plant, vehicles and equipment	3–7 years

An element of the cost of a new aircraft is attributed on acquisition to prepaid maintenance of its engines and airframes and is amortised over a period ranging from one to ten years from the date of acquisition. Subsequent costs incurred which lend enhancement to future periods such as long-term scheduled maintenance and major overhaul of aircraft and engines are capitalised and amortised over the length of period benefiting from the enhancements.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is that which would arise on sales in the normal course of business.

Aircraft spares held for long term use is classified within tangible fixed assets within the Financial Statements.

Aircraft maintenance costs

Jet2.com, a wholly owned subsidiary undertaking, leases aircraft from the Company and has a legal obligation to undertake specific periodic maintenance on the aircraft it operates. These obligations require ***Jet2.com*** to continue to maintain the aircraft and its engines in accordance with the aircraft manufacturers published maintenance programmes during the term of the lease and to ensure that the aircraft is returned to the Company in a satisfactory condition.

Notes to the Company Financial Statements

continued

2. Accounting policies – continued

The Company receives a monthly security deposit from ***Jet2.com*** based on a monthly usage calculation. The deposit is refunded to ***Jet2.com*** once the maintenance activity has been completed by ***Jet2.com.*** As such these are classified as Amounts due to Group undertaking within Creditors less than one year.

The monthly security deposit payment is set at a level which is estimated to cover the cost of future maintenance procedures when they occur, matching the initial monthly maintenance charges on operating leased aircraft and the amortisation of capitalised maintenance on owned aircraft.

Impairment of assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of net realisable value and value in use. In addressing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less that its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

At each balance sheet date, an assessment is made to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or has decreased. Where such an indication exists, an impairment loss is reversed to the extent that the asset's carrying value does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Borrowings

All borrowings are stated at the fair value of consideration received after deduction of issue costs. Issue costs together with other finance costs are charged to the income statement over the period of the term of the borrowings at a constant rate, or more quickly if appropriate. Issue and finance costs are deduced from the carrying value of those borrowings.

Leases

Rental charges on operating leases are charged to the income statement on a straight-line basis over the life of the lease.

Cash and cash equivalents

Cash equivalents are defined as including short term deposits with original maturity within three months, less overdraft repayable on demand.

Financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised costs, using the effective interest method, less any impairment loss.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised costs, using the effective interest method, less any impairment loss.

Interest bearing loans and borrowing

All loans and borrowings are initially recorded at the fair value of their net proceeds. Thereafter they are measured at amortised cost using the effective interest method.

2. Accounting policies – continued

Derivative financial instruments

The Company uses forward foreign currency contracts and currency option products to reduce exposure to foreign exchange rate volatility. The criteria for forward foreign currency contracts are that the instrument must be related to a foreign currency asset or liability that is probable and whose characteristics have been identified, and it must reduce the risk of foreign exchange movements on the Company's operations.

The rates under such contracts are used to record the hedged item. As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or, where the instrument is used to hedge a committed or probable future transaction, are deferred until the transaction occurs.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 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;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- 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.

Employee benefits

Pension costs

All pensions are provided from the proceeds of money purchase schemes. The charge to profit and loss represents the payments due during the year.

Share based payments

The Company issues equity settled share based payments to certain employees. The fair value of employee share option plans is measured at the date of grant of the option using the binomial valuation model. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At each balance sheet date before vesting the cumulative expense is calculated, based on the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market vesting conditions, and hence the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in profit and loss.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share based payment charge recognised in its subsidiaries financial statements with the corresponding credit being recognised directly in equity.

Notes to the Company Financial Statements

continued

2. Accounting policies – continued

Going Concern

Dart Group PLC is accounted for on a going concern basis. Dart Group PLC provides treasury services for the Group and, as such, its financial performance is inextricably linked with the performance of its subsidiaries.

3. Profit of the Parent Company

The Company has taken advantage of the provisions of Section 230 of the Companies Act 1985 and has not published its own Profit and Loss Account. Of the profit on ordinary activities after taxation for the year, a loss of £9.8m (2008 – profit £7.7m) is dealt with in the accounts of the Company.

4. Tangible fixed assets

	Short leasehold property £m	Aircraft & engines £m	Plant, vehicles & equipment £m	Total £m
Cost				
At 1 April 2008	1.2	223.1	3.2	**227.5**
Additions	–	5.8	0.6	**6.4**
Disposals	–	–	(0.1)	**(0.1)**
At 31 March 2009	**1.2**	**228.9**	**3.7**	**233.8**
Depreciation				
At 1 April 2008	(0.6)	(50.3)	(2.0)	**(52.9)**
Charge for the year	–	(8.9)	(0.5)	**(9.4)**
Disposals	–	–	–	**–**
At 31 March 2009	**(0.6)**	**(59.2)**	**(2.5)**	**(62.3)**
Net book value				
At 31 March 2009	**0.6**	**169.7**	**1.2**	**171.5**
At 31 March 2008	0.6	172.8	1.2	174.6

Aircraft and engines having an original cost of £228.9m (2008 – £223.1m) and accumulated depreciation of £59.2m (2008 – £50.3m) are held for use by a subsidiary company under operating leases.

5. Investments

	£m
Shares in subsidiary undertakings at cost, and net investment:	
At 1 April 2008	20.8
Additions to investments in existing subsidiaries	4.5
At 31 March 2009	25.3

The principal subsidiary undertakings are:

Name	Principal activity	Country of incorporation or registration
Fowler Welch-Coolchain Limited	Temperature-controlled distribution	England
Fowler Welch-Coolchain BV	Temperature-controlled distribution	The Netherlands
Jet2.com Limited	Operation of cargo and passenger aircraft	England
Jet2holidays.com Limited	Provision of package holidays	England

All subsidiaries are wholly owned by the Company, with the exception of **Fowler Welch-Coolchain BV** which is owned by **Fowler Welch Limited**, a non-trading wholly owned subsidiary undertaking of the Company. The issued share capital of each subsidiary undertaking consists entirely of ordinary shares.

Additional investments during the year represent an increase in the capitalisation of an existing direct subsidiary of £4.5m.

6. Debtors

	2009 £m	2008 £m
Current:		
Other debtors and prepayments	**0.5**	1.5
Corporation tax recoverable	**1.1**	–
Amounts owed by Group undertakings	**6.9**	2.3
	8.5	3.8

7. Creditors: amounts falling due within one year

	2009 £m	2008 £m
Bank overdraft	**88.5**	81.2
Trade creditors	**0.6**	0.6
Amounts owed to Group undertakings	**72.6**	46.1
Other creditors and accruals	**3.1**	1.2
	164.8	129.1

Included in amounts owed to Group undertakings are maintenance security deposits repayable to ***Jet2.com*** of £45.8m (2008 – £26.8m).

The bank overdraft position within Dart Group PLC reflects the fact that funds are managed on a Group basis, with composite banking arrangements in place with the Group's bankers, allowing offset with individual bank and overdraft accounts in different currencies across the Group.

Notes to the Company Financial Statements

continued

8. Creditors: amounts falling due after more than one year

	2009 £m	2008 £m
Other loans	–	21.2

Loans are repayable as follows:

	2009 £m	2008 £m
Within one year	–	–
Between one and two years	–	–
Between two and five years	–	21.2
Over five years	–	–
	–	21.2

Bank loans represent part of the Group's revolving credit facilities and were repaid during the year.

The loan above of £nil (2008 – £21.2m) is net of £nil (2008 – £0.8m) of facility arrangement fees which are being amortised over the term of the loan.

The loan balances of £nil (2008 – £21.1m) bear interest at variable rates of up to 3.75% (2008: up to 1.45%) over LIBOR, and are secured over the Group's aircraft and freehold properties.

As noted in the Directors' Report, following the year end, the Group has completed a refinancing of its bank facilities.

9. Provisions for liabilities

	2009 £m	2008 £m
Deferred tax		
Accelerated capital allowances		
Provision at start of year	**16.8**	13.1
Profit and loss account	**2.0**	3.7
Provision at end of year	**18.8**	16.8
Other short term timing differences		
Provision at start of year	**0.6**	0.6
Profit and loss account	–	–
Provision at end of year	**0.6**	0.6
Total deferred tax		
Provision at start of year	**17.4**	13.7
Provision at end of year	**19.4**	17.4

10. Reserves

	Share Capital £m	Share premium £m	Profit & loss £m
At 1 April 2008	1.8	9.3	20.4
Loss for the year	–	–	(9.8)
At 31 March 2009	**1.8**	**9.3**	**10.6**

11. Reconciliation of movements in shareholders' funds

	2009 £m	2008 £m
(Loss) / Profit for the year	**(9.8)**	7.7
Dividends paid in the year	**–**	(2.9)
Reserves movement arising from Share based payment charge	**–**	0.1
	(9.8)	4.9
Issue of shares under share option schemes	**–**	0.1
Net (reduction) / addition to shareholders' funds	**(9.8)**	5.0
Opening shareholders' funds	**31.5**	26.5
Closing shareholders' funds	**21.7**	31.5

12. Directors and employees

	2009 £m	2008 £m
Wages and salaries	**1.9**	0.8
Social security costs	**0.3**	0.1
Other pension costs	**0.1**	0.1
	2.3	1.0

On average the Company had 9 employees during the year ended 31 March 2009 (2008: 7). Details of Directors' emoluments are set out in the Directors' Remuneration Report on pages 15 to 20.

Notes to the Company Financial Statements

continued

13. Share based payments

Details of share based payment schemes operated by the Group are disclosed in note 22 to the Consolidated Financial Statements. Amounts charged in the Company accounts for the year were £22,094 (2008: £20,442).

14. Contingent liabilities

The Company has cross guarantees in respect of the banking arrangements of certain of its subsidiary undertakings. In the normal course of business a number of contingent liabilities have arisen. In the Group and Company, none of these is expected to lead to a material gain or loss.

15. Related Party Transactions

The Company has taken advantage of the exemption granted by paragraph 3c of FRS 8, not to disclose transactions and balances with other Group companies.

16. Other information

Disclosure notes relating to Auditor's remuneration and called-up share capital are included within the Consolidated Financial Statements of the Group in notes 7 and 22 respectively.

17. Post-balance sheet event

Subsequent to the year end, Dart Group PLC has successfully completed a refinancing of its syndicated facilities. Please refer to note 29 within the Consolidated Financial Statements of the Group for further details.

Glossary of Terms

Passenger numbers	Number of earned seats flown. Earned seats comprises seats sold to passengers (including no-shows), seats provided for promotional purposes and seats provided to staff for business travel.
Load factor	The percentage relationship of passengers carried to total seat capacity available.
Net ticket yields	Total net ticket revenue divided by number of passengers.
Retail revenue	Includes credit card fees, baggage charges, advanced seat assignment fees, extra leg room fees, in-flight sales and commissions earned on products.
Mileage per gallon	Average number of miles driven for every Gallon of fuel used.
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation.
Net capital reserves	Total Equity reserves net of cash flow hedging reserve.
Gearing	Ratio of Net Debt to Net Capital reserves.

Secretary and Advisers

Registered Number

1295221

Secretary and Registered Office

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5 Aldermanbury Square
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EC2V 7HR

Stockbrokers

Collins Stewart Limited
9th Floor
88 Wood Street
London EC2V 7QR

Solicitors

Addleshaw Goddard
150 Aldersgate Street
London EC1A 4EJ

Financial Advisers

Smith & Williamson Corporate Finance
25 Moorgate
London EC2R 6AY

Market Makers in Company Shares

Collins Stewart Limited
London

Merrill Lynch
London

Winterflood Securities Limited
London

Liberium Capital Limited
London

KBC Peel Hunt
London

Financial Calendar

Annual General Meeting	9 September 2009
Results for the six months to 30 September 2009	November 2009
Interim Dividend Payment	January 2010
Results for the 12 months to 31 March 2009	June 2010

Notice of Annual General Meeting

Notice is given that the 2009 Annual General Meeting of the Company will be held at 12.00 p.m. on Wednesday 9 September 2009 at 45 Moorfields, London, EC2Y 9AE to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 7 inclusive will be proposed as ordinary resolutions and resolutions 8 to 10 inclusive will be proposed as special resolutions.

Ordinary Business

1 To receive the accounts of the Company for the financial year ended 31 March 2009, together with the Directors' and Auditor's reports on them.

2 To declare a final dividend for the financial year ended 31 March 2009 of 0.71p per ordinary share of 1.25 pence in issue.

3 To re-elect Trevor Crowley (who is retiring by rotation) as a director of the Company.

4 To re-elect Mark Laurence as a director of the Company.

5 To reappoint KPMG Audit plc as Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid.

6 To authorise the Directors to determine the Auditor's remuneration.

7 That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £236,503.825, and so that:

(a) this authority shall expire on 8 December 2010 or, if earlier, on the conclusion of the Company's 2010 annual general meeting; and

(b) before such expiry, the Company may make any offer or agreement which would or might require relevant securities to be allotted after such expiry and, notwithstanding such expiry, the Directors may allot relevant securities pursuant to any such offer or agreement,

and so that this authority shall be in substitution for all other authorities vested in the Directors to exercise the powers of the Company to allot relevant securities.

8 That the Directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of that Act) pursuant to the authority conferred on them by resolution 7 in the notice of this meeting or by way of a sale of treasury shares as if section 89(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

(a) the allotment of equity securities in connection with any rights issue, open offer or other pre-emptive offer which is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to (i) fractions of such securities, (ii) the issue, transfer and/or holding of any securities in certificated form or in uncertificated form, (iii) the use of one or more currencies for making payments in respect of such offer, (iv) any such shares or other securities being represented by depositary receipts, (v) treasury shares or (vi) any legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory; and

(b) the allotment of equity securities (other than pursuant to paragraph 8 (a) above) up to an aggregate nominal amount of £88,174.80,

and shall expire at such time as the authority conferred on the Directors by resolution 7 in the notice of this meeting expires, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and, notwithstanding such expiry, the Directors may allot equity securities pursuant to any such offer or agreement. References in this resolution to the power to allot equity securities for cash otherwise than on a pre-emptive basis shall include the power to sell or transfer treasury shares under section 162D(1) of the Companies Act 1985.

Notice of Annual General Meeting

continued

Special Business

9 That the Company be and is hereby generally and unconditionally authorised pursuant to section 166 of the Companies Act 1985 as amended to make market purchases (as defined in section 163(3) of that Act) of ordinary shares of 1.25 pence each in the capital of the Company and, where shares are held as treasury shares, to use them, inter alia, for the purposes of employee share plans operated by the Company, provided that:

(a) the maximum aggregate number of such shares that may be purchased under this authority is 14,107,969 Ordinary Shares;

(b) the minimum price which may be paid for such a share is 1.25 pence (exclusive of expenses);

(c) the maximum price (exclusive of expenses) which may be paid for such a share is an amount equal to 105% of the average of the middle market quotations of the Company's ordinary shares as derived from the AIM Appendix to the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the share is contracted to be purchased;

(d) this authority shall expire on 8 December 2010 or, if earlier, on the conclusion of the Company's 2010 annual general meeting; and

(e) the Company may complete or conclude, in whole or in part, a purchase of shares after the expiry of this authority pursuant to a contract entered into before such expiry.

10 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Tamsin Winspear
Company Secretary

Registered office:
Low Fare Finder House
Leeds Bradford International Airport
Leeds
West Yorkshire
LS19 7TU

Dated 29 July 2009

Notice of Annual General Meeting

continued

Notes:

1 A member must be registered as the holder of Ordinary Shares as at 6.00 p.m. on Monday 7 September 2009 (or, in the case of an adjournment, as at 6.00 p.m. on the day two days immediately preceding the day fixed for the adjourned meeting) in order to be entitled to attend and vote at the meeting as a member in respect of those shares.

2 A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. A proxy form is enclosed and attention is directed to the guidance in the footnotes thereon.

3 To be valid, the completed form of proxy must arrive not later than 48 hours before the time set for the meeting at 12.00 p.m. on Wednesday 9 September 2009 (or, in the case of an adjournment, by the time 48 hours before the time appointed for the adjourned meeting) to the Company's Registrars, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during usual business hours, together with any power of attorney or other written authority under which the proxy form is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority. Completing and returning a proxy form will not prevent a member from attending in person and voting at the meeting should he so wish. Electronic proxy appointment is not available for the meeting. Nor may any document or information in relation to proceedings at the meeting (including proxies) be sent by any other electronic means.

4 Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a "nominated person") may have a right under an agreement between him and such member to be appointed, or to have someone else appointed, as a proxy for the meeting. If he has no such right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 2 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.

5 As at 6 August 2009 (being the latest practicable date prior to the printing of this document), the Company's issued share capital consisted of 141,079,694 Ordinary Shares, all carrying one vote each. The Company does not hold any shares in treasury. Accordingly, the total voting rights in the Company were 141,079,694.

6 Arrangements will be put in place at the meeting in order to facilitate voting by representatives of members which are corporations ("corporate representatives" and "corporate shareholders") so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all its other corporate representatives at the meeting, those corporate representatives will be able to give voting directions to the chairman in respect of the poll and the chairman will be able to vote (or withhold a vote) on the poll as corporate representative in accordance with those directions, and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, all of them will be able to nominate one of their number as a "designated" corporate representative to vote on a poll for them all and the others will be able to give voting directions to it accordingly. Further information about this procedure is set out in the Institute of Chartered Secretaries and Administrators' January 2008 guidance note on "Proxies and Corporate Representatives at General Meetings" (accessible at www.icsa.org.uk).

7 Copies of the terms and conditions of appointment of the non-executive Directors of the Company will be available for inspection at the registered office of the Company during normal business hours (Saturdays, Sundays and public holidays in the UK excepted) from the date of this notice until the conclusion of the 2009 Annual General Meeting.

Explanatory notes

The ordinary business to be proposed at the 2009 Annual General Meeting is set out in Resolutions 1 to 8 inclusive.

In compliance with:

(a) article 85 of the Company's articles of association, one-third of the Directors are required to retire at the 2009 Annual General Meeting. Accordingly, Trevor Crowley will retire at the 2009 Annual General Meeting. Trevor Crowley will offer himself for re-election as a Director at the 2009 Annual General Meeting and he is recommended by the Board for re-election; and

(b) article 81 of the Company's articles of association, where a Director has been appointed by the Board, such Director shall only hold office until the next annual general meeting of the Company. Accordingly, as the Board appointed Mark Laurence as a Director on 28 May 2009, Mark Laurence will retire at the 2009 Annual General meeting and will offer himself for re-election as a Director at the 2009 Annual General meeting and he is recommended by the Board for re-election.

Resolution 7 – authority to allot Ordinary Shares

Your Board is proposing to renew the general authority, last given at the Company's 2008 annual general meeting, to allot Ordinary Shares. Resolution 7 would give the Directors the authority to allot up to 18,920,306 authorised but unissued Ordinary Shares, being all of the authorised but unissued Ordinary Shares and representing approximately 13.4% of the issued ordinary share capital of the Company as at 5 August 2009. This authority would expire on the earlier of the conclusion of the Company's next annual general meeting and 8 December 2010. The Board has no present intention of exercising this authority and intends to seek its renewal at subsequent annual general meetings of the Company.

Resolution 8 – disapplication of statutory pre-emption provisions

Your Board is proposing to renew the Directors' authority to allot Ordinary Shares for cash other than pro rata to existing shareholders. This authority would expire on the earlier of the conclusion of the Company's next annual general meeting and 8 December 2010.

Resolution 8 would restrict the number of new Ordinary Shares which may be allotted for cash to an aggregate maximum of 7,053,984 Ordinary Shares, being equivalent to approximately 5% of the issued ordinary share capital of the Company as at 6 August 2009. The new authority would also permit allotments to shareholders on a pre-emptive basis subject only, where necessary, to dealing with fractional entitlements and entitlements of foreign shareholders.

Resolution 9 – authority to purchase Ordinary Shares

This special resolution seeks shareholders' authority for the Company to make market purchases of its own Ordinary Shares. The Directors have no present intention of exercising this authority, but would wish to have the flexibility to do so in the future. Purchases of own Ordinary Shares would only be made through AIM. Any Ordinary Shares purchased would be cancelled (in which case the number of Ordinary Shares in issue would thereby be reduced) or held in treasury. The Directors will only exercise the authority to make purchases of Ordinary Shares granted by this resolution if they believe that to do so would result in an improvement in earnings per share and/or is in the best interests of the shareholders generally. The maximum number of Ordinary Shares which may be purchased is 14,107,969, representing approximately 10% of the issued ordinary share capital of the Company as at 6 August 2009. The authority would expire on the earlier of the conclusion of the Company's next annual general meeting and 8 December 2010. The minimum price that could be paid for an Ordinary Share would be 1.25 pence and the maximum price would be equal to 105% of the average of the middle market quotations for an Ordinary Share, as derived from the AIM Appendix to the London Stock Exchange Daily Official List (as applicable at the time the proposed purchase is to be contracted) for the five business days immediately preceding the day on which the share is contracted to be purchased, in each case excluding expenses. The Directors expect that, if the authority were to be exercised, the consideration for such purchases would be defrayed by utilising the distributable reserves of the Company.

The Companies Act 1985 permits the Company to purchase its own shares and, rather than cancel those shares, to hold them as treasury shares, in which case they would carry no voting rights and no entitlement to any dividend for as long as the are held as treasury shares.

The Directors also intend to seek renewal of this authority at future annual general meetings.

As at 31 March 2009, options over a total of 7,249,372 Ordinary Shares were outstanding and not exercised. That number of Ordinary Shares represents approximately 5.1% of the Company's issued ordinary share capital as at the same date. It would represent approximately 5.7% of the issued ordinary share capital if the authority to purchase the Company's own Ordinary Shares conferred by Resolution 9 had been exercised in full at that date.

Notice of Annual General Meeting

continued

Resolution 10 – Notice of General Meeting

This resolution, which will be proposed as a special resolution, is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive. The regulations implementing this Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than an annual general meeting) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. This resolution seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed in order to renew this power.

Shareholder Notes

Shareholder Notes

DART GROUP PLC

("The Company")

Form of Proxy

Form of proxy for use at the annual general meeting of the Company to be held at 45 Moorfields, London, EC2Y 9AE on Wednesday 9 September 2009 at 12.00 p.m. and at any adjournment of that meeting.

Please read the notice of meeting and the explanatory notes below before completing this form.

IN BLOCK CAPITALS PLEASE

I/We...

of ....

being (a) holder(s) of ordinary shares of 1.25p each in the Company, hereby appoint the chairman of the meeting or the following person *(see note 2):*

....

Name of proxy Number of Shares *(see note 1)*

to be my/our proxy to vote for me/us in respect of my/our ordinary shares at the annual general meeting of the Company to be held on 9 September 2009 at 12:00 p.m. and at any adjournment meeting.

Please mark this box if this proxy is one of multiple proxy appointments being made by the same shareholder *(see note 1)* ☐

I/We have indicated with a "X" how I/we wish my/our votes to be cast on the resolutions to be proposed at the meeting. I/We further direct that my/our proxy will vote (or refrain from voting) as he/she thinks fit for me/us and on my/our behalf on any other matter which may properly come before the meeting or any adjourned meeting. If no indication is given, the proxy will vote or refrain from voting at his/her discretion.

Please indicate how you wish your proxy to vote or abstain by inserting an "X" in the appropriate box.

ORDINARY BUSINESS

Ordinary Resolutions	**For**	**Against**	**Vote Withheld** (*see note 4*)
1. To receive the accounts and the Directors' and Auditor's reports on them			
2. To declare a final dividend of 0.71p per ordinary share			
3. To re-elect Trevor Crowley as a director			
4. To re-elect Mark Laurence as a director			
5. To re-appoint KPMG Audit Plc as Auditor			
6. To authorise the Directors to determine the Auditor's remuneration			
Ordinary Resolution			
7. To authorise the Directors to allot shares			
Special Resolutions			
8. To disapply pre-emption rights			

SPECIAL BUSINESS

9. To authorise the Company to make market purchases of its own shares			
10. To authorise notice period for calling general meetings			

Date .... Signature ....

Please mark this box if signing on behalf of a member under a power of attorney or other authority. ☐

Notes:

1 Members entered on the Company's ordinary share register at 6.00 p.m. on 7 September 2009 are entitled to attend and vote at the annual general meeting. If you are no longer on the Company's register of members at that time, you will no longer be entitled to attend.

2 A proxy need not be a member of the Company. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend, speak and vote at the meeting, or any adjournment of it, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. The following options are available:

(a) to appoint the chairman as your sole proxy in respect of all of your shares, simply fill in any voting instructions in the appropriate box and sign and date the form of proxy;

(b) to appoint a person other than the chairman as your sole proxy in respect of all of your shares, delete the words "the chairman of the meeting" and insert the name and address of the person appointed as your proxy in the space provided. Then fill in any voting instructions in the appropriate box and sign and date the form of proxy. The chairman of the meeting will act as your proxy whether or not such deletion is made, if no other name is inserted;

(c) to appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by the member). Please also indicate if the proxy instruction is one of the multiple instructions being given in the appropriate box. All forms must be signed and should be returned together in the same envelope.

3 Unless otherwise instructed, a proxy may vote or refrain from voting on the resolutions, and in respect of any other business which may properly come before the meeting, at his discretion.

4 The "Vote Withheld" option enables members to instruct their proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the votes "For" or "Against" a resolution.

5 In the case of joint holders, the signature of any one holder will be sufficient, but the names of the joint holders should be stated. The vote of the senior joint holder (according to the order in which the names stand in the register in respect of the holding) who tenders a vote in person or by proxy will be accepted to the exclusion of the vote of the other joint holder(s).

6 In the case of a corporation, this form must be executed under its common seal or signed on its behalf by a duly authorised officer or attorney.

7 The form of proxy is for use in respect of the shareholder account specified above only and should not be amended or submitted in respect of a different account.

8 To be valid, the form of proxy, together with any power of attorney or other written authority under which it is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority, must be completed, signed and returned so as to reach the Company's Registrars, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 12.00 p.m. on Monday 7 September 2009. Electronic proxy appointment is not available for this meeting. Nor may any document or information relating to proceedings at the meeting (including proxies) be sent by any other electronic means.

9 Any alteration to this form must be initialled.

10 Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person at the meeting.

11 If you prefer, you may return the proxy form to the Company's Registrars, Capita Registrars in an envelope addressed to FREEPOST RLYX-GZTU-KRRG, Capita Registrars (Proxies), 34 Beckenham Road, Beckenham, Kent, BR3 9ZA.

Second fold

BUSINESS REPLY SERVICE
Licence No. MB122

Capita Registrars
The Registry
34 Beckenham Road
BECKENHAM
Kent
BR3 4BR

First fold

Third fold
and tuck in flap opposite


Lanzarote
FOWLER WELCH • COOLCHAIN
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