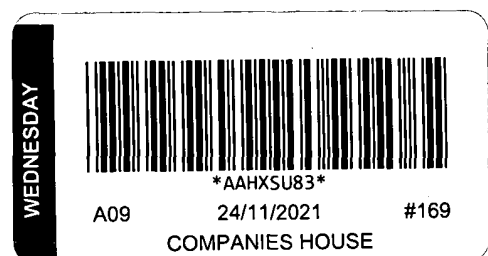


Registered number: 01378919

AIR LOGISTICS NETWORKS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



AIR LOGISTICS NETWORKS LIMITED

COMPANY INFORMATION

Directors	S J Dawkins C D O'Donnell V Singh
Company secretary	M N Arrowsmith
Registered number	01378919
Registered office	Donington Court Pegasus Business Park East Midlands Airport Castle Donington Derby DE74 2UZ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

AIR LOGISTICS NETWORKS LIMITED

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Balance sheet	9
Notes to the financial statements	10 - 22

AIR LOGISTICS NETWORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is general air and sea cargo agents.

Results and dividends

The profit for the year, after taxation, amounted to £509,560 (2019: £533,496).

No dividends have been paid or proposed during the year (2019: £Nil).

Directors

The directors who served during the year were:

S J Dawkins
C D O'Donnell
V Singh

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AIR LOGISTICS NETWORKS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Post balance sheet events

The directors have considered the potential impact of Brexit on the operations of the Company. The consistent conclusion reached is that Brexit scenarios reviewed do not present a material risk to the ongoing operations of the business.

The business has continued to operate through the COVID 19 pandemic and is performing well despite the challenging landscape and is well placed to continue to provide its services. Whilst estimating the precise financial impact on the business is challenging, the director has considered the outlook for 2021, 2022 and beyond and consider that the forecast results, together with the continued and confirmed support from the group, mean that the business risk is manageable.

Small companies' exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Disclosure of information to auditor

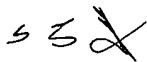
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



S J Dawkins
Director

Date: 19/11/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR LOGISTICS NETWORKS LIMITED

Opinion

We have audited the financial statements of Air Logistics Networks Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of income and retained earnings, the Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR LOGISTICS NETWORKS LIMITED
(CONTINUED)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR LOGISTICS NETWORKS LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR LOGISTICS NETWORKS LIMITED
(CONTINUED)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Company operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.
- We enquired of management concerning the Company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results of our enquires to relevant supporting documentation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.

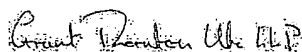


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR LOGISTICS NETWORKS LIMITED
(CONTINUED)**

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates;
 - understanding of the legal and regulatory requirements specific to the entity/regulator entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions;
 - the Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Company's compliance with regulatory requirements.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.



Christopher Frostwick
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: 21/11/2021

AIR LOGISTICS NETWORKS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	1,273,769	1,656,192
Gross profit		<u>1,273,769</u>	<u>1,656,192</u>
Administrative expenses		(760,232)	(1,088,442)
Operating profit	5	<u>513,537</u>	<u>567,750</u>
Interest receivable and similar income		1,614	142
Interest payable and similar charges	9	(4,998)	(34,207)
Profit before tax		<u>510,153</u>	<u>533,685</u>
Tax on profit	10	(593)	(189)
Profit after tax		<u>509,560</u>	<u>533,496</u>
Deficit at the beginning of the year		(1,387,681)	(1,921,179)
Profit for the year		509,560	533,496
Deficit at the end of the year		<u>(878,121)</u>	<u>(1,387,683)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of income and retained earnings.

All activities relate to continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

AIR LOGISTICS NETWORKS LIMITED
REGISTERED NUMBER:01378919

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	724	1,304
Tangible assets	12	7,184	10,520
		<u>7,908</u>	<u>11,824</u>
Current assets			
Debtors: amounts falling due within one year	13	1,354,003	810,431
Cash at bank and in hand	14	37,710	310,886
		<u>1,391,713</u>	<u>1,121,317</u>
Creditors: amounts falling due within one year	15	(1,335,885)	(1,379,355)
Net current assets/(liabilities)		<u>55,828</u>	<u>(258,038)</u>
Total assets less current liabilities		<u>63,736</u>	<u>(246,214)</u>
Creditors: amounts falling due after more than one year	16	(941,165)	(1,141,369)
Provisions for liabilities			
Deferred tax	17	(593)	-
		<u>(593)</u>	<u>-</u>
Net liabilities		<u>(878,022)</u>	<u>(1,387,583)</u>
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account	18	(878,122)	(1,387,683)
		<u>(878,022)</u>	<u>(1,387,583)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



S J Dawkins
 Director

19/11/2021

The notes on pages 10 to 22 form part of these financial statements.

AIR LOGISTICS NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Air Logistics Networks Limited is a wholly owned subsidiary of World Freight Company S.A.S, World Freight Company International S.A.S is the ultimate parent undertaking. The address of the registered office of the ultimate parent is Zone De Fret 4, 3 Rue Du Cercel Bat 3313, Roissy CDG Aeroport, France, F95705. The principal activity of the Company is general air and sea cargo agents.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Going concern

The company has net liabilities at the balance sheet date of £878,022 (2019: £1,387,394). Notwithstanding this, the directors believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements. In reaching this conclusion the directors have taken into account the continued and confirmed group support provided by group and related companies over the next 12 months and beyond.

2.3 Revenue

Revenue comprises revenue recognised by the company in respect of agency services supplied during the year, exclusive of Value Added Tax and trade discounts.

Debtors and creditors arising from the transportation of air cargo are shown as assets and liabilities. This recognises that the company is entitled to retain the investment income on any cashflows arising from these transactions.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software developments are amortised on a straight-line basis over a useful life of five years.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 5- 10 years
Office equipment	- 2 - 5 years

At each reporting date, fixed assets are reviewed by to determine whether there is an indication that those assets are impaired. The recoverable amount of the asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgement in applying accounting policies and key source of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgement in applying accounting policies

- The directors must judge whether all of the conditions required for revenues to be recognised in the statement of income and retained earnings for the year, as set out in note 2.3, have been met.

Source of estimation uncertainty

- Consideration of debtor recoverability, see note 13.

4. Turnover

The whole of the turnover is attributable to the one principal activity.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	4,270	1,802
Amortisation of intangible assets	580	581
Exchange differences	(28,643)	(36,539)
	<u> </u>	<u> </u>

6. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £7,350 (2019 : £7,000).

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

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

	2020 £	2019 £
Wages and salaries	443,385	501,338
Social security costs	45,277	47,922
Cost of defined contribution scheme	15,562	15,670
	<u>504,224</u>	<u>564,930</u>

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

	2020 No.	2019 No.
Administration	<u>8</u>	<u>8</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	113,537	117,161
Company contributions to defined contribution pension schemes	3,738	3,738
	<u>117,275</u>	<u>120,899</u>

During the year retirement benefits were accruing to 1 director (2019: 1) in respect of defined contribution pension schemes.

There are no additional key management personnel.

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	4,998	5,955
Other interest payable	-	28,252
	<u>4,998</u>	<u>34,207</u>

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Taxation

	2020 £	2019 £
Corporation tax		
Adjustments in respect of previous periods	-	189
	-	189
Total current tax	-	189
Deferred tax		
Origination and reversal of timing differences	593	-
Total deferred tax	593	-
Taxation on profit on ordinary activities	593	189

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	510,153	533,685
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	96,929	101,400
Effects of:		
Expenses not deductible for tax purposes	935	1,005
Adjustments to tax charge in respect of prior periods	-	189
Deferred tax not recognised	88	(15)
Group relief claimed	(97,368)	(102,388)
Deferred tax change in rates	9	(2)
Total tax charge for the year	593	189

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Intangible assets

	Software developments £
Cost	
At 1 January 2020	28,880
At 31 December 2020	<u>28,880</u>
Amortisation	
At 1 January 2020	27,576
Charge for the year on owned assets	580
At 31 December 2020	<u>28,156</u>
Net book value	
At 31 December 2020	<u>724</u>
At 31 December 2019	<u>1,304</u>

Amortisation on intangible assets is charged to admin expenses.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2020	1,263	26,351	27,614
Additions	-	934	934
At 31 December 2020	1,263	27,285	28,548
Depreciation			
At 1 January 2020	10	17,084	17,094
Charge for the year on owned assets	252	4,018	4,270
At 31 December 2020	262	21,102	21,364
Net book value			
At 31 December 2020	1,001	6,183	7,184
At 31 December 2019	1,253	9,267	10,520

13. Debtors

	2020 £	2019 £
Trade debtors	419,812	400,794
Amounts owed by group undertakings	869,740	217,225
Other debtors	25,000	25,000
Prepayments and accrued income	3,451	5,100
Tax recoverable	36,000	162,312
	1,354,003	810,431

Trade debtors are stated net of a provision for doubtful debts of £Nil (2019: £34,358).

14. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	37,710	310,886

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	471,807	458,293
Amounts owed to group undertakings	-	130,737
Other taxation and social security	28,736	42,135
Other creditors	39,573	-
Accruals and deferred income	795,769	748,190
	<u>1,335,885</u>	<u>1,379,355</u>

16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>941,165</u>	<u>1,141,369</u>

Amounts owed to group undertakings are unsecured and not subject to interest.

These loans are non-interest bearing.

17. Deferred taxation

	2020 £
At beginning of year	-
Charged to profit or loss	593
At end of year	<u><u>593</u></u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(262)	-
Short-term timing differences	855	-
	<u>593</u>	<u>-</u>

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Reserves**Profit & loss account**

The profit and loss account includes all current and prior year retained profits and losses.

19. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
Ordinary shares of £1.00 each	100	100

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

20. Contingent liabilities

A cross guarantee on bank arrangements exists between World Freight Company Investment UK Limited, Air Logistics Limited, Air Logistics Networks Limited, Airborne International Limited and Air Logistics Group Limited.

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £15,562 (2019: £15,670). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the balance sheet date.

22. Related party transactions

As a wholly owned subsidiary of World Freight Company S.A.S., the company is exempt from the requirements of FRS 102 Section 33 to disclose transactions with other members of the group headed by World Freight Company International S.A.S.

23. Post balance sheet events

The directors have considered the potential impact of Brexit on the operations of the Company. The consistent conclusion reached is that Brexit scenarios reviewed do not present a material risk to the ongoing operations of the business.

The business has continued to operate through the COVID 19 pandemic and is performing well despite the challenging landscape and is well placed to continue to provide its services. Whilst estimating the precise financial impact on the business is challenging, the director has considered the outlook for 2021, 2022 and beyond and consider that the forecast results, together with the continued and confirmed support from the group, mean that the business risk is manageable.

AIR LOGISTICS NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24. Controlling party

The company is a subsidiary undertaking of World Freight Company S.A.S., a company registered in France.

The ultimate parent company is World Freight Company International S.A.S., a company also registered in France.

The largest and smallest group in which the results of the company are consolidated is that headed by World Freight Company International S.A.S. Consolidated accounts are available from Zone de Fret 4, 3 Rue Du Cercel Bat 3313, Roissy CDG Aeroport, France, F95705.