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**COURIER FACILITIES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**COURIER FACILITIES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P T Brady R A Entwistle D B Pedri R A Eustace M H Ware K N Winney P A White M A J Harrison H M James U A Butt
<b>Company secretary</b>	D P Venturini
<b>Registered number</b>	01705359
<b>Registered office</b>	Building 578 Sandringham Road London Heathrow Airport Hounslow Middlesex TW6 3SL
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

## COURIER FACILITIES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

#### Business review

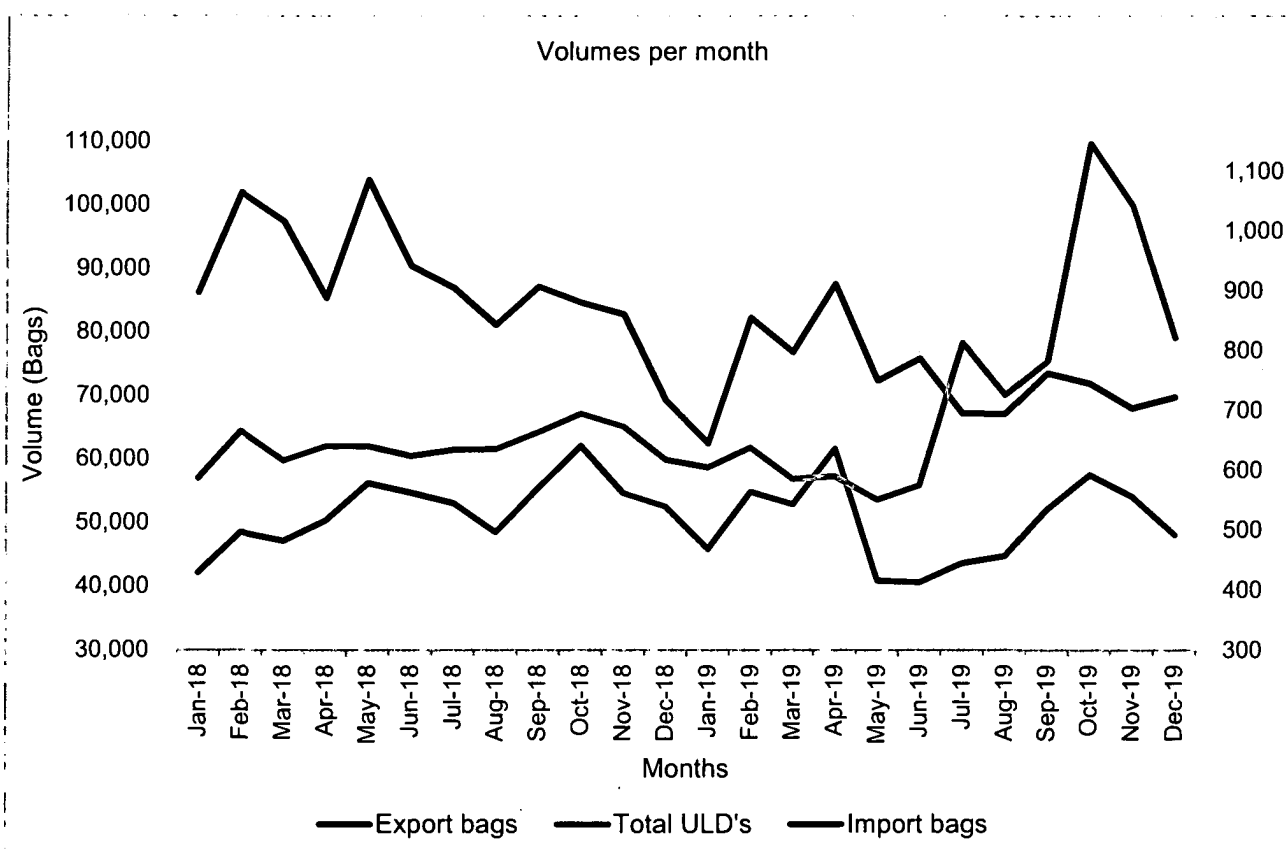
#### Financial Performance

In 2019 CFL had a return to profitability with continued growth in revenues and improving productivity, delivering a net profit of £107k on a turnover of £5.26m. This was up from a loss of £289k in 2018, on revenues of £4.74m.

We achieved this significant improvement in our financial results despite facing volume challenges during the year. During the year we had one off costs of £86K on our planned relocation to new premises in 2020 which impacted our profit performance for 2019.

Working with 32 airlines, a number which continues to grow; means that reaching new customers and supporting our existing customers growth must be key aspirations for CFL's future.

- Strong growth in YoY revenues (+10%)
- Significant improvements in YoY productivity (+15%)
- Continued investment in IT with important elements launched in 2019
- Underlying business is profitable



- Core business volumes were under pressure at times in 2019 and core bag volumes may be declining. While our ULD volume showed a sharp growth in peak.

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## COURIER FACILITIES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### STRATEGIC OBJECTIVES & PURPOSE

CFL is a one of a kind facility in the UK and Europe allowing SME express companies to compete with the large integrators (DHL, FedEx and UPS) by offering unmatched cut-off times and access to 32 airlines in and out of Heathrow. The SME express community in turn allows SME exporters to offer the same service levels as large competitors in the international online marketplace.

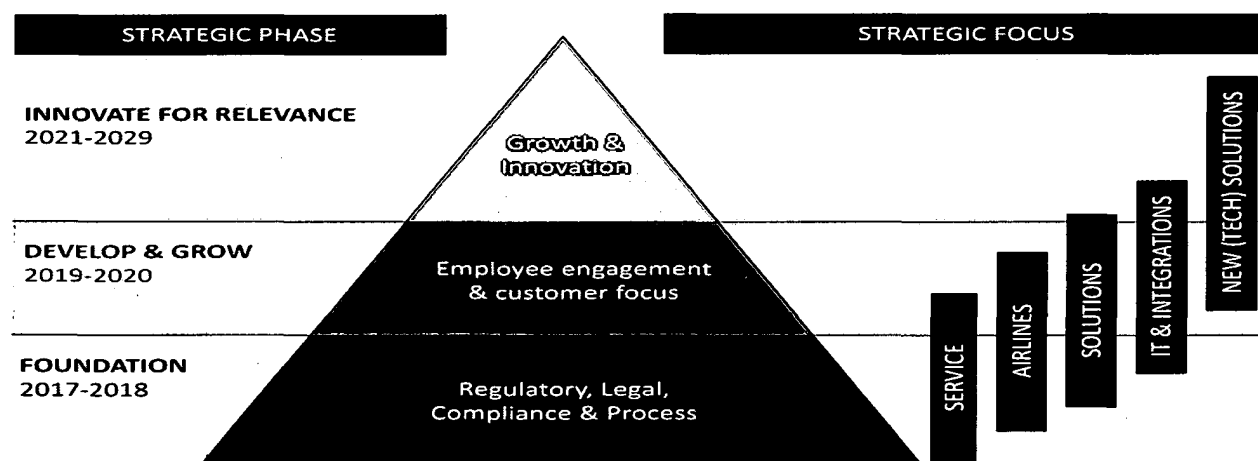
CFL is owned by its customers and operates in the interests of the courier and airline industry. It operates along the lines of a not-for-profit organisation, pricing products and services marginally above cost and reinvesting profits into the business.

The purpose of CFL is:

To provide access to capacity, products and services that facilitate the rapid transit of imports and exports including movement through customs and security.

Being owned by our customers means CFL operates in a transparent way and consequently publishes more than the legal minimum information in its annual report.

Since the start of 2017 CFL has embarked on a long-term strategic plan, the first part of which was designed to ensure effective governance of our operational processes in order to maintain regulatory compliance. In 2019 we concluded this phase and we have started to develop our customer capabilities and deployed initial elements of our new IT system. We also improved our employee experience with improved management practices, robust appraisal processes and quality training.



Our ambitions in 2020 were focused significantly on improving the quality of our customer relationships and account management practices, completing our IT development and deploying it fully while managing the relocation of our airport site to a new property, Building 580/581 Sandringham Road.

The emergence of Covid-19 in early 2020 has made a significant change to our ambitions and plans for 2020. Our response to Covid-19 and the impact it has on our plans for 2020 are detailed later in this report.

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## COURIER FACILITIES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### CFL 2019 OPERATIONS

CFL provides airline handling services for the courier industry. It operates the only dedicated, multi-customer, express handling shed operation in the UK. Facilitating rapid export and import of goods from all over the world. Operating with 32 airlines at LHR it provides couriers large and small with fast, efficient and low-cost services.

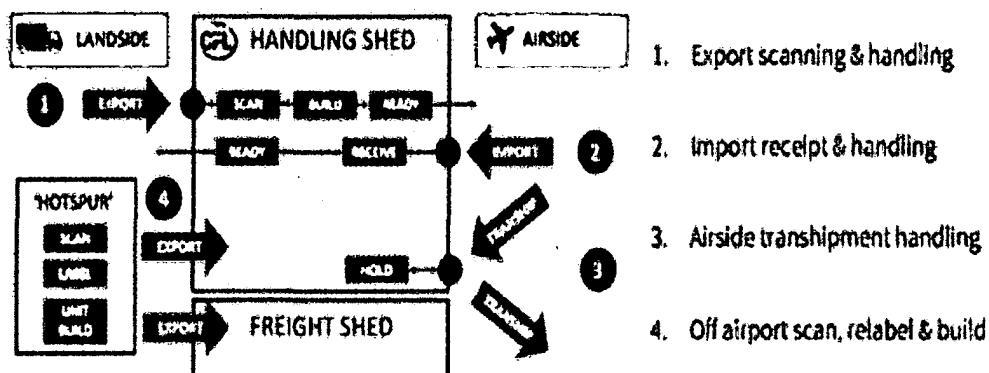
CFL operates at two facilities. One is the traditional airside courier handling shed at Heathrow Airport, the other is an off airport dedicated handling and security operation (known as Hotspur) in Colnbrook. The Colnbrook site concentrates on loose loading ULDs for maximum density and can handle both courier and cargo exports.

Our core competencies remain:

aviation security, customs compliance and express airline handling

#### CFL – CURRENT KEY ACTIVITIES

There are currently four primary areas of activity and revenue generation at Heathrow airport.



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**COURIER FACILITIES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2019 BUSINESS PERFORMANCE**

We use a balance scorecard to measure our performance in the key areas of our business plan.

In 2019 we saw significant improvements in our financial, internal and people objectives. Our service showed improvements but is still an area of focus for us as we enter 2020.

As a customer owned business, we know we must continue to improve our service performance. We have made significant improvements in our internal controls and people skills with our new IT capability should lead to sustained and improved service levels in 2020. We have seen significantly improved customer feedback on our service as it has become more consistent through 2019.

**CFL 2019 Balanced Scorecard Summary**

<b>Business Area</b>	<b>Number of Goals</b>	<b>Goals with YoY Improvement</b>	<b>Goals fully achieved</b>
<b>Financial</b>  Includes productivity, P&L performance, profitability and on budget CAPEX spending	4	4	4
<b>Customer</b>  Includes service reporting, service performance, customer complaints and query handling, SLA performance	6	3	2
<b>Internal Process</b>  Includes regulatory performance, internal audit and CSM programme, H&S management and BREXIT preparation	4	4	4
<b>Learning and Growth</b>  Includes Improving management skills, employee engagement and front-line training and skills progression	3	3	3
<b>Total</b>	<b>17</b>	<b>14</b>	<b>13</b>

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## COURIER FACILITIES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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2019 saw several key internal improvements changes.

These underpinned changes in our financial controls, people environment and ultimately our performance.

CFL continued to build effective and positive relationships with its key customers and regulatory stakeholders.

- AEO Renewed
- Financial Policies implemented and tested
- Created and recruited dedicated customer service and training roles
- Introduced a comprehensive self-audit programme
- Sustained excellent results in external audits in security, airline and financial audits
- IT system: Rolled out automated billing for improved billing accuracy
- IT system: Rolled out airside driver check-in and import labelling and scanning
- Introduced airline messaging for the first time
- Launched employee of the month programme
- Introduced detailed Risk Management programme

#### ASSESSMENT & MANAGEMENT OF RISK

##### How we manage risk at CFL

During 2019 we implemented a risk management programme to identify, assess and mitigate risks to the business. The Board and Subcommittees play a key role in assessing the risk and quality of mitigations in control while the CFL Management team monitors, reports and develops mitigations and contingency plans.

##### CFL Board Risk Considerations

CFL Board	
<b>Risk Areas Considered</b>	<ul style="list-style-type: none"><li>• Strategic risks</li><li>• Business Plan</li><li>• Corporate Strategy</li><li>• Financial sustainability</li><li>• Corporate Governance.</li></ul>
<b>How</b>	<ul style="list-style-type: none"><li>• Formal review of strategic risks and business plan each 6 months and forward look.</li><li>• Review risk appetite annually, review emerging risks at each board meeting</li></ul>

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**COURIER FACILITIES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Subcommittee Risk Considerations**

	<b>Audit Committee</b>	<b>Compliance Committee</b>	<b>Remuneration Committee</b>
<b>Risk Areas Considered</b>	<ul style="list-style-type: none"> <li>• Effectiveness of risk management systems</li> <li>• financial reporting and planning</li> <li>• Internal Audit processes</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory</li> <li>• Operational risks H&amp;S</li> <li>• Statutory and legal</li> </ul>	<ul style="list-style-type: none"> <li>• People</li> <li>• Policies</li> </ul>
<b>How</b>	<ul style="list-style-type: none"> <li>• Review adequacy of risk management methodology and structure, processes and responsibility for identifying and managing key risks.</li> <li>• Review internal audit results</li> </ul>	<ul style="list-style-type: none"> <li>• Formal review of operational risks</li> <li>• Review core regulatory compliance obligations quarterly</li> <li>• Business Continuity</li> </ul>	<ul style="list-style-type: none"> <li>• Review of policies</li> <li>• Monitoring appropriate people KPI data</li> </ul>



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**COURIER FACILITIES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**CFL Management Team Risk Considerations**

<b>Risk Areas Considered</b>	Internal Audits Operational Health & Safety Service Performance, Customer feedback Our People
<b>Emerging Issues</b>	Regulatory changes Business Sector changes Accounting changes Policy or Statutory changes Stakeholder
<b>Regular Risk Review Process</b>	Review risk areas and risk assessment – action according to board agreed standards Monitor emerging risks and risk management monthly, Review risk categories quarterly Monthly reporting on Business Plan and key project process, milestones and KPIs Deliver effective risk identification, monitoring, mitigation and management (and KPI reporting) Develop and test contingency plans Review risk assessments for new business opportunities

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## COURIER FACILITIES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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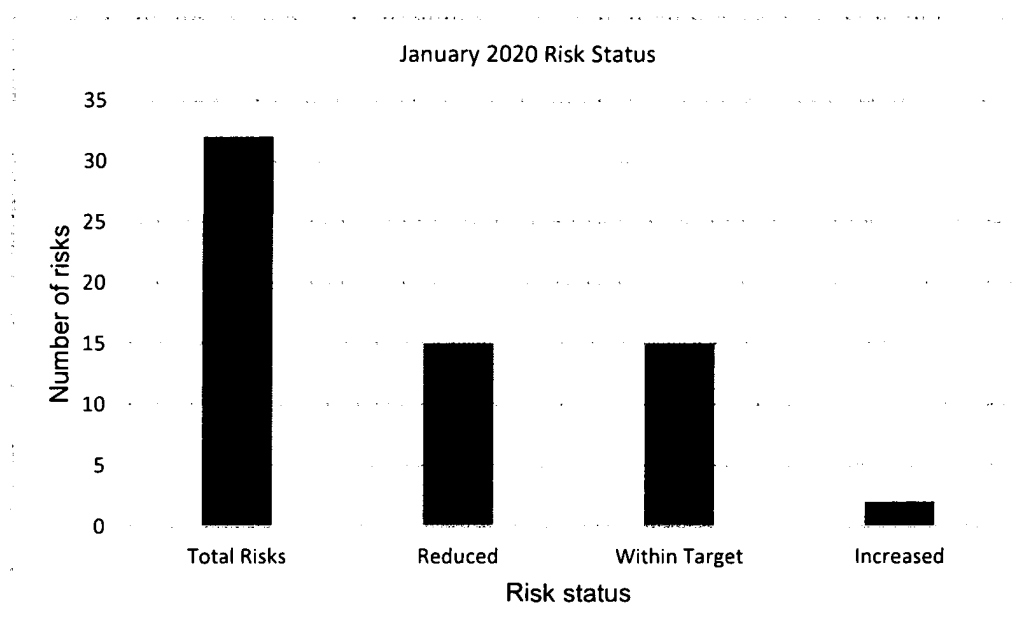
#### Risk Management Performance

As a customer owned organisation CFL has a low risk appetite that reflects it's its industry role and not-for-profit-like business model.

The board has agreed to define the risk appetite of the CFL business as below.

Risk Area	Risk Appetite
Compliance – Regulatory and Legal	Very Low
Health and Safety	Low
People	Low
Financial Sustainability	Low
Operational Risk	Low
Reputation	Low
Environment and Social Responsibility	Medium
Systems and Technology	Low - Medium
Strategic Risk	Low - Medium
Competitive Risk	Medium

Applying active risk management practice has seen our risk management performance improve in 2019, while leaving us with some improvements still to administer in 2020.



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## **COURIER FACILITIES LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **CULTURE, VALUES & PEOPLE**

##### **The CFL Charter**

In 2019 we performed a key piece of work to identify and distil the CFL culture. Involving representatives from every part of our business, we had a series of meetings to agree on the values that drive the CFL business and describe our ethos and behaviours.

The output was tested by the board and finalised as our CFL Charter:

- We are safe, ethical and legally compliant in everything we do. We are committed to achieving the highest standards of professionalism
- We are committed to providing the best possible customer experience. We are driven to provide our customers exceptional service. We are open, fair and transparent. We listen to our customers and act on their feedback
- Our people are vital to delivering for our customers. We hire good people and we focus on open and honest communication, building the team and improving skills and capabilities. We create a happy workplace where challenges are conquered with confidence. Our people are proud to be part of CFL and take ownership of everything they do. At CFL no-one ever says "That is not my job"
- We ensure the business is stable and financially secure. We are focussed on providing and achieving value to deliver sustainability over the long term

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**COURIER FACILITIES LIMITED**

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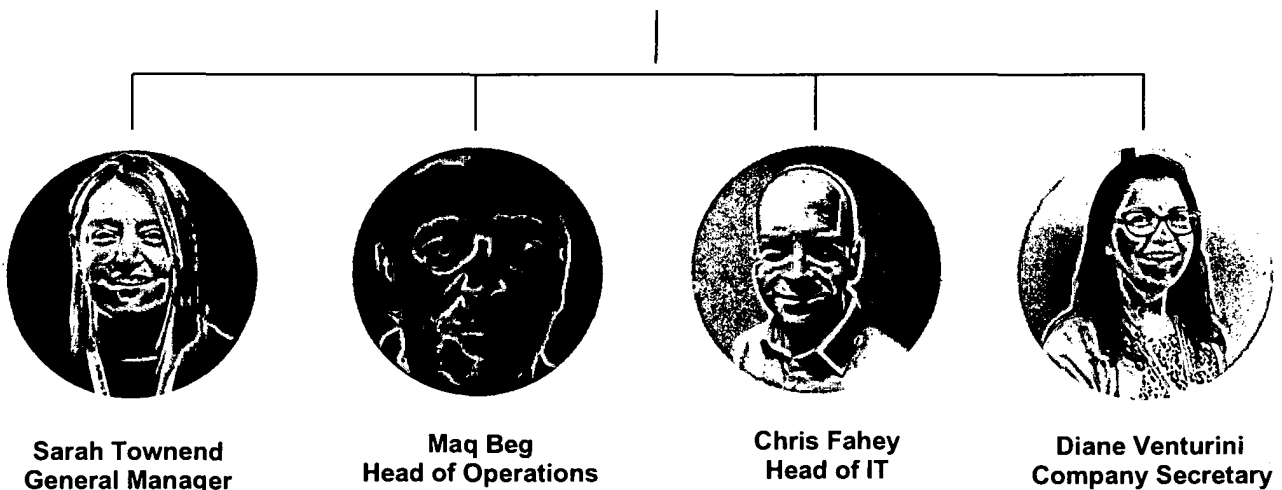
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**The CFL Senior Team**



**Matthew Ware**  
Managing Director



The CFL Senior Management Team brings a wealth of courier, aviation and technical expertise.

In 2019 we welcomed Maq Beg in joining the Senior Management team when he was promoted to Head of Operations

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## COURIER FACILITIES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### CULTURE, VALUES & PEOPLE

"Improving our employee experience has been an essential element of our business improvement activity over the last year. We check in with our staff twice a year with an Employee Opinion Survey that allows us to check our progress. Key initiatives include the roll out of career progression for our front-line employees, allowing them to be rewarded as they become more capable and experienced."

- During 2019 our Employee Opinion Survey, the positive scores increased to 68%. which means that nearly 70% of the responses to all questions were positive.
- We saw big improvements in our front-line management performance in areas such as appraisals, training and one-to-ones.
- Our employees feel empowered and confident
- Staff are involved in our health and safety and security committees
- Four out of our six operations management roles have been internal promotions in 2019

#### BOARD PLANS & GOVERNANCE

The board meets six times a year to review the business performance. The board is made up of 12 Directors.

We have two independent Non-Executive Directors and an independent Chair. The other 9 Directors are shareholder representatives and all our shareholders are customers of CFL.

Each year CFL undertakes to provide Competition Law training for all its Directors and Senior Managers.

In 2019 we had three subcommittees that met at least four times a year, the Audit Committee, Compliance Committee and Remuneration Committee.

- During the second half of the year, the Board worked on updating the Purpose and Constitution of the business to make it more appropriate for the future, more useful to a wide user audience and to build-in protection mechanisms to ensure the organization will continue to be run for the benefit of the industry in which we operate. These changes will go to our shareholders for approval in 2020.
- We have continued to carefully consider the make-up of our Board of our directors, their experience and expertise. We appointed one new director in 2019
- In 2020 the board is receiving regular updates on the business performance and response to the Covid-19 pandemic

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**COURIER FACILITIES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**LOOKING AHEAD****Business Plan 2020 & Managing Covid-19**

We started of 2020 with ambitions to complete a relocation to a new building, with new technology and equipment to improve our efficiency and our customer experience. We also sought to improve our service reporting capabilities and increase our customer base by making it easier for couriers and airlines to do business with each other and with new entrants.

The recent Covid-19 crisis has dramatically changed our business expectations for 2020 and our more ambitious and capital-intensive plans have been put back to 2021 as we look to ensure our business remains viable through the current challenges.

Our business plan for the 2020-22 period focusses on continuing sustainability, innovation and growth. With a strong emphasis in 2020 on sustainability, customer relationships, IT deployment and our relocation.

	2020 Plan	2021-2022 Summary	2029 Horizon
<b>Mission</b>	Sustainability and growth	Innovation and development	Building global connections
<b>Vision</b>	Creation of a sustainable, profitable, replicable model based on innovation & technology	To innovate to create new opportunities to grow the business through technology, location or capability	To have a global network of CFL nodes with comprehensive airline coverage & utilisation
<b>Goals</b>	Effective relocation Sustainability Tech & capability	Capability expansion Volume expansion Location expansion	Full automation World leadership Global coverage

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## **COURIER FACILITIES LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Risk Management in 2020**

##### **The Impact of Covid-19**

Covid-19 is the principal risk requiring management by CFL in 2020. The impact on aviation has been particularly significant. London Heathrow has seen a 95% decline in passenger numbers and 90% less flights in April. Around the world 8 out of 10 flights have been cancelled. Prior to this our Q1 start to the year had been positive and we were significantly ahead of our financial forecast as good volumes and resource management contributed to good profits in each of January and February before the downturn at the end of March.

CFL's business model relies on couriers connecting with passenger flights and we have seen a 90% drop in volumes from the end of March as this has unfolded.

This has meant we have seen a significant collapse in our revenue, and we have taken a series of urgent steps to reduce our spending. This has included taken advantage of the governments Employee Retention Scheme that has seen us place around 85% of our workforce on furlough. The paid members of the Board and the Senior Management team have agreed to defer elements of their remuneration. We have significantly reduced our supplier spending and we are in the processes of negotiating a delay to our relocation plans until early 2021.

We are working with ACIES to raise awareness of our critical role in the supply chain for many SME courier companies in the UK; we have submitted papers to the Department for Transport Business Crisis Team and to the Department of International Trade. We have been making a case for rates relief for airport property for companies of our nature that are reliant on passenger aircraft. We are also exploring the options of government backed finance for our business to bolster our cash position should we need it.

Despite these actions we expect to make significant losses in Q2. We have a reasonably strong cash position that means we can sustain these losses for the rest of 2020 if necessary. Entering 2020 we had plans to invest around £2 million in our relocation which may need to be reconsidered towards the end of the year if a recovery in the second half of the year is not forthcoming.

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## COURIER FACILITIES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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There are a few significant areas of risk to our recovery from Covid-19.

These are:

- Restoration of airline capacity and routes offering courier
- Demand from our courier's customers for their services
- Our courier customers capability to ride out the financial impact on their own businesses and/or courier consolidation accelerates

Having taken immediate actions to limit the immediate impact of Covid-19 the Senior Management Team and the board will start to work through new plans to mitigate these risks during Q2.

Despite the significant uncertainty in the short and medium term about the aviation industry, CFL has some considerable advantages, offering speed and service consistency at a low cost with very few barriers of entry for users of all sizes. Over the last few years the traffic CFL has handled has increasingly become e-commerce related traffic and this is expected to grow strongly. CFL should be well placed to support this growth on international markets. The location of CFL at London Heathrow is also a significant advantage, Heathrow as the key hub airport in the UK is likely to rebound more quickly than other smaller airports.

For CFL to be able to effectively exploit its strengths and rebound strongly it is important that both effective day to day management control on spending and business performance with sensible business development activities. For example, we are completing our IT development, testing and deployment in Q2 for example and working with key stakeholders and customers, both airline and courier, to identify opportunities where CFLs unique capabilities can be support their business activity. This will be particularly important in the second half of the year as we look towards Brexit in early 2021.

Our work with customers and on a sustainable business model are incredibly relevant to a strong recovery from Covid-19, and this along with our risk management strategies will be key planks of our business recovery in the second half of 2020.



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## **COURIER FACILITIES LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

#### **Directors**

The directors who served during the year were:

P T Brady  
R A Entwistle  
D B Pedri  
P A Cunningham (appointed 9 July 2019, resigned 31 May 2020)  
R A Eustace  
M H Ware  
K N Winney  
P A White  
A M Wood (resigned 31 January 2020)  
M A J Harrison  
K C Hillyard (resigned 24 June 2020)  
H M James

#### **Disclosure of information to auditors**

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

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

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**COURIER FACILITIES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Post balance sheet events**

The company has committed to move into a new premises post year end with the lease terminating in June 2025.

Since the year end the company has also signed a contract for capital commitments in relation to the fit out of the new premises.

**Auditors**

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25<sup>th</sup> June 2020 and signed on its behalf.



**M H Ware**  
Director

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## **COURIER FACILITIES LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COURIER FACILITIES LIMITED**

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#### **Opinion**

We have audited the financial statements of Courier Facilities Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 2019 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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 Auditors' 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

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## **COURIER FACILITIES LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COURIER FACILITIES LIMITED (CONTINUED)**

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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.

#### **Opinion 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.

#### **Matters on which we are required to report by exception**

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.

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**

As explained more fully in the Directors' responsibilities statement on page 15, 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.

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**COURIER FACILITIES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COURIER FACILITIES LIMITED  
(CONTINUED)**

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**Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Elliot S J Arwas (Senior statutory auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants & Statutory Auditors  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

Date: 29th June 2020

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COURIER FACILITIES LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	2019 £	2018 £
Turnover	5,255,965	4,740,113
Cost of sales	(2,463,771)	(2,537,265)
<b>Gross profit</b>	<b>2,792,194</b>	<b>2,202,848</b>
Administrative expenses	(2,695,201)	(2,516,962)
Other operating income	2,789	189
<b>Operating profit/(loss)</b>	<b>99,782</b>	<b>(313,925)</b>
Interest receivable and similar income	7,543	5,563
Interest payable and expenses	(658)	-
<b>Profit/(loss) before tax</b>	<b>106,667</b>	<b>(308,362)</b>
Tax on profit/(loss)	50	19,248
<b>Profit/(loss) for the financial year</b>	<b>106,717</b>	<b>(289,114)</b>
<b>Total comprehensive income for the year</b>	<b>106,717</b>	<b>(289,114)</b>

The notes on pages 24 to 32 form part of these financial statements.

**COURIER FACILITIES LIMITED**  
**REGISTERED NUMBER: 01705359**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	5		601,137		480,973
			<u>601,137</u>		<u>480,973</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	6	1,400,694		1,429,056	
Cash at bank and in hand	7	2,360,350		2,053,417	
		<u>3,761,044</u>		<u>3,482,473</u>	
Creditors: amounts falling due within one year	8	(760,329)		(616,374)	
<b>Net current assets</b>			<u>3,000,715</u>		<u>2,866,099</u>
<b>Total assets less current liabilities</b>			<u>3,601,852</u>		<u>3,347,072</u>
Creditors: amounts falling due after more than one year	9		(133,063)		-
<b>Provisions for liabilities</b>					
Other provisions	11	(180,000)		(165,000)	
			<u>(180,000)</u>		<u>(165,000)</u>
<b>Net assets</b>			<u><u>3,288,789</u></u>		<u><u>3,182,072</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		6,000		6,000
Capital redemption reserve			2,000		2,000
Profit and loss account			3,280,789		3,174,072
			<u><u>3,288,789</u></u>		<u><u>3,182,072</u></u>

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COURIER FACILITIES LIMITED  
REGISTERED NUMBER: 01705359


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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2019

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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

28th June 2020  
  
M H Ware  
Director

The notes on pages 24 to 32 form part of these financial statements.



**COURIER FACILITIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	6,000	2,000	3,174,072	3,182,072
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	106,717	106,717
<b>Total comprehensive income for the year</b>	-	-	106,717	106,717
<b>At 31 December 2019</b>	<b>6,000</b>	<b>2,000</b>	<b>3,280,789</b>	<b>3,288,789</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	6,000	1,500	3,463,686	3,471,186
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(289,114)	(289,114)
<b>Total comprehensive income for the year</b>	-	-	(289,114)	(289,114)
Purchase of own shares	-	500	(500)	-
Shares issued during the year	500	-	-	500
Shares cancelled during the year	(500)	-	-	(500)
<b>Total transactions with owners</b>	-	500	(500)	-
<b>At 31 December 2018</b>	<b>6,000</b>	<b>2,000</b>	<b>3,174,072</b>	<b>3,182,072</b>

The notes on pages 24 to 32 form part of these financial statements.

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## COURIER FACILITIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

Courier Facilities Limited is a company limited by shares, incorporated in England and Wales. The address of the registered office is Building 578, Sandringham Road, London Heathrow Airport, Hounslow, Middlesex, TW6 3SL.

The company specialises in facilitating the courier and airline industry in the London Heathrow Airport terminal area.

#### 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 following principal accounting policies have been applied:

##### 2.2 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the reporting date can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.3 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.

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## COURIER FACILITIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the term of the lease
Plant and machinery	- 5 years straight line
Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

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 the Statement of comprehensive income.

##### 2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.5 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.6 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.

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

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 reporting date.

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## **COURIER FACILITIES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **2. Accounting policies (continued)**

##### **2.6 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.7 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.

##### **2.8 Finance costs**

Finance costs are charged to the Statement of comprehensive income 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.

##### **2.9 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

##### **2.10 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.11 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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## COURIER FACILITIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.12 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 the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

##### 2.13 Taxation

Tax is recognised in the Statement of comprehensive income, 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 reporting 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 Statement of financial position 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 reporting date.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 71 (2018 - 77).

**COURIER FACILITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**4. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	229,480	224,340
Company contributions to defined contribution pension schemes	9,600	9,600
	<u>239,080</u>	<u>233,940</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

**5. Tangible fixed assets**

	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>						
At 1 January 2019	1,354,433	13,542	-	257,059	1,014,666	2,639,700
Additions	68,058	-	240,492	-	151,974	460,524
At 31 December 2019	<u>1,422,491</u>	<u>13,542</u>	<u>240,492</u>	<u>257,059</u>	<u>1,166,640</u>	<u>3,100,224</u>
<b>Depreciation</b>						
At 1 January 2019	1,162,191	13,542	-	251,879	731,115	2,158,727
Charge for the year	149,271	-	874	3,269	181,273	334,687
Charge for the year on financed assets	-	-	5,673	-	-	5,673
At 31 December 2019	<u>1,311,462</u>	<u>13,542</u>	<u>6,547</u>	<u>255,148</u>	<u>912,388</u>	<u>2,499,087</u>
<b>Net book value</b>						
At 31 December 2019	<u>111,029</u>	<u>-</u>	<u>233,945</u>	<u>1,911</u>	<u>254,252</u>	<u>601,137</u>
At 31 December 2018	<u>192,242</u>	<u>-</u>	<u>-</u>	<u>5,180</u>	<u>283,551</u>	<u>480,973</u>

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**COURIER FACILITIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**5. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	202,599	-
	<u>202,599</u>	<u>-</u>

**6. Debtors**

	2019 £	2018 £
Trade debtors	618,907	756,373
Other debtors	432,186	346,214
Prepayments and accrued income	349,601	326,469
	<u>1,400,694</u>	<u>1,429,056</u>

**7. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>2,360,350</u>	<u>2,053,417</u>

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**COURIER FACILITIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	180,789	254,868
Other taxation and social security	63,975	64,034
Obligations under finance lease and hire purchase contracts	69,442	-
Other creditors	202,491	204,791
Accruals and deferred income	243,632	92,681
	<u>760,329</u>	<u>616,374</u>

Obligations under finance leases are secured against the assets leased.

**9. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Obligations under finance leases and hire purchase contracts	133,063	-
	<u>133,063</u>	<u>-</u>

Obligations under finance leases are secured against the assets leased.

**10. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	69,442	-
Between 1-5 years	133,063	-
	<u>202,505</u>	<u>-</u>



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COURIER FACILITIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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11. Provisions

	£
At 1 January 2019	165,000
Charged to the Statement of comprehensive income	15,000
At 31 December 2019	<u>180,000</u>

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
6,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund amounted to £66,834 (2018 - £59,352). Contributions totalling £Nil (2018 - £14,616) were payable to the fund at the reporting date and are included in creditors.

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**COURIER FACILITIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**14. Commitments under operating leases**

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Land and buildings</b>		
Not later than 1 year	511,833	468,056
Later than 1 year and not later than 5 years	-	12,500
	<u>511,833</u>	<u>480,556</u>
	2019 £	2018 £
<b>Other</b>		
Not later than 1 year	5,957	5,958
Later than 1 year and not later than 5 years	397	397
	<u>6,354</u>	<u>6,355</u>

**15. Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 1A permitting the aggregation of similar transactions by type of related party.

The turnover from the shareholders during the year totalled £2,185,556 (2018 - £1,602,309) and trade debtors at year end in respect of that turnover was £387,934 (2018 - £333,264).

The purchases from the shareholders during the year totalled £227,221 (2018 - £125,556) and trade creditors at the year end in respect of those purchases was £Nil (2018 - £29,962)

**16. Controlling party**

There is no ultimate controlling party.