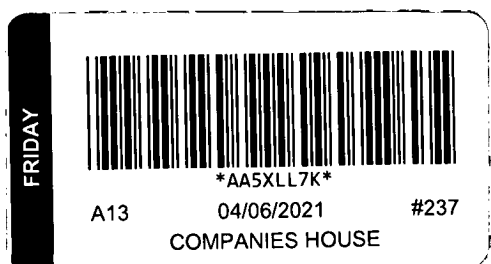

COURIER FACILITIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



COURIER FACILITIES LIMITED

COMPANY INFORMATION

Directors

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
T Boyes

Company secretary

D P Venturini

Registered number

01705359

Registered office

Building 580/1
Sandringham Road
London Heathrow Airport
Hounslow
Middlesex
TW6 3SN

Independent auditors

Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

COURIER FACILITIES LIMITED

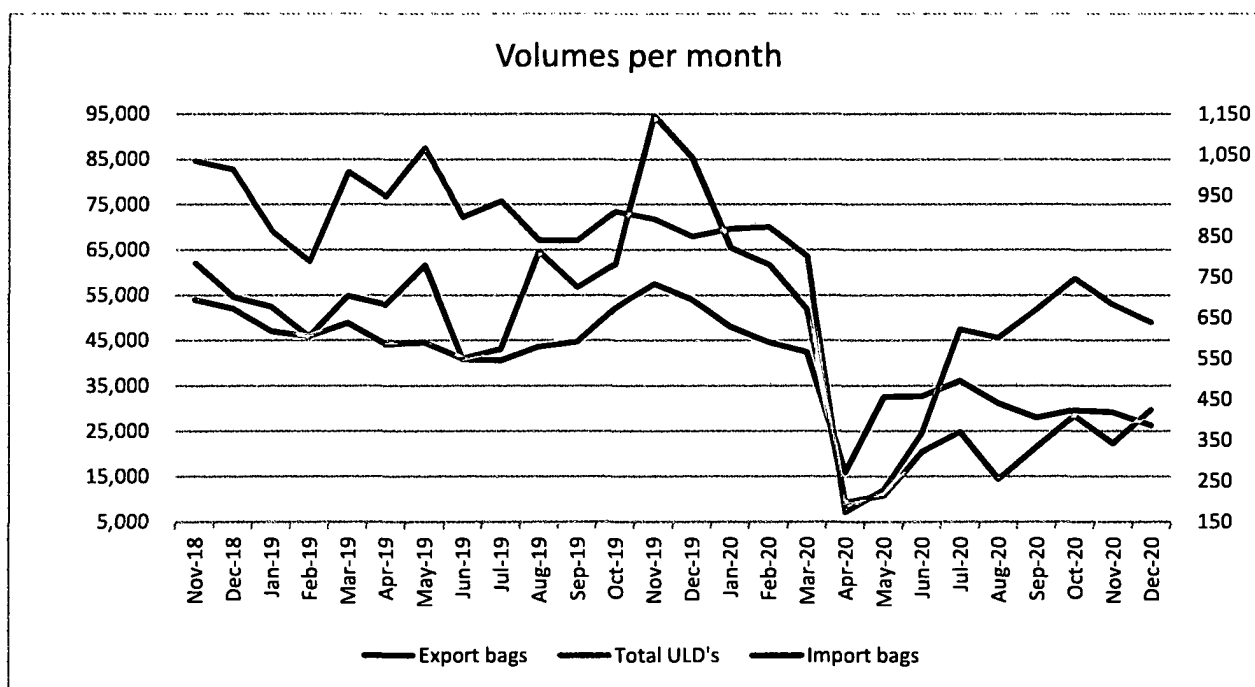
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Business review

At the end of 2019, our underlying business was profitable, and our revenues were showing strong growth. Then, as the coronavirus pandemic unfolded from early 2020, the outlook changed considerably. Having dealt with the immediate impact of the pandemic on the aviation industry and our customers and with sensible risk management-based business decisions, we are delighted to be writing this report from the perspective of recovery and with a focus of looking to the future, following our premises relocation in early March 2021 and investment in new facilities and equipment.

At the start of 2020 the business outlook for CFL was very good, with strong Q1 financial results. The impact of the pandemic on our business from the end of March 2020 was very swift, with core volumes falling 90% in the space of a few day in April, as our customers' ability to utilise passenger aircraft belly hold space to make their connections around the world disappeared as countries closed their borders and banned international travel.



COURIER FACILITIES LIMITED

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

We took a series of rapid steps to attempt to mitigate the impact on the business knowing our business has a high fixed cost base given the property costs at Heathrow Airport. We renegotiated our lease arrangements with our landlord, Segro, and postponed our planned relocation to Q1 2021. We postponed our new equipment orders until after this date and started to rationalise our operations. We closed our off-site operations and made full use of the Government's Coronavirus Job Retention Scheme by placing most of our staff on furlough and keeping bare minimum staffing levels with our Management Teams stepping in to ensure continuity of business. The Senior Management Team and remunerated Independent Board Directors all agreed to a deferral of an element of their salary. These actions meant we were making the lowest losses possible. In Q3 we made an application to access the Coronavirus Business Interruption Loan Scheme (CBILS) through our bank. Under the Scheme, we borrowed £1 million to enhance our balance sheet to provide greater certainty with managing our way through the pandemic and to keep the plans for our 2021 relocation on target. We maximised every opportunity to seek financial support and although we were not successful with a rates relief application to our Local Authority, in Q2 of 2021 we were informed of our successful application under the Airport and Ground Operators Scheme (AGOSS) introduced in January 2021. We have now received a grant equivalent to our rates payments for 2020, which was very welcome support. Despite all the actions that were taken we did however find it necessary to reduce our overall headcount in 2020 by around a third through a series of redundancies.

Volumes recovered in Q3 to around 70% of our original forecast and while this meant we were still essentially loss making, these were nowhere near the losses we had made in Q2. Airlines started to replace passenger flights with freighter connections that meant our customers could access some of their key markets. This was still fragile and subject to frequent change as the pandemic impact altered around the world, but it meant that our volumes stabilised. Although the pandemic wiped around £2 million off our revenue in 2020, we ended the year with over £3 million in the bank.

Entering 2021 in recovery mode, we have adjusted our prices to reflect current volumes and to ensure the business is sustainable moving forward. We are keeping this decision under frequent review and hope to be able to amend pricing as we return to normality. We continue to explore ways we can offer our existing customers a more complete service to secure more volume and have worked closely with our shareholders and customers throughout 2020 to ensure we were meeting their requirements where this was possible. In 2021 we are working towards offering our business partners and key customers a more complete service offering so that they can commit more of their existing and future business through our facility. This includes exploring new relationships with airlines, new destinations – including Europe, and offering more complete handling solutions to our key courier customers. The investments we have made in recent years in our IT capabilities will play a significant part in realising these ambitions.

One clear success of 2020 must be the way in which our dedicated staff have worked with us throughout the uncertainty of the year. As volumes rose, we returned staff from furlough and everyone worked tirelessly in our Covid secure environment to ensure that business continued. The team continued to prepare for our postponed relocation, and we are very proud of the seamless transition from our old building to our new, opening the doors on Tuesday 2nd March 2021 without any effect on service. The second phase of our move involves the introduction of new state-of-the-art equipment that will improve our customers' experience and the productivity of our operation. The new facility, once completely up and running, represents a significant step forward in our capabilities.

We also continued to improve our governance during 2020, amending our committee structure to combine Audit and Compliance in a new Risk, Audit and Compliance Committee. We introduced a dedicated Relocation Committee to oversee our relocation plans and continued to monitor the effect of Covid on our people through the Remuneration Committee. We continued with our project to update our Articles and in June 2020 these were approved unanimously by our shareholders, putting CFL in a good place to approach future business opportunities.

COURIER FACILITIES LIMITED

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

As we continue to rationalise our operations in the light of the ongoing challenges we face in the current market conditions, we have completed the sale and transfer of our additional x-ray machine during April 2021. This removes a significant ongoing liability and better reflects our current operational needs.

Our business plans for 2021 are inevitably focussed on managing the business through the ongoing pandemic and our relocation.

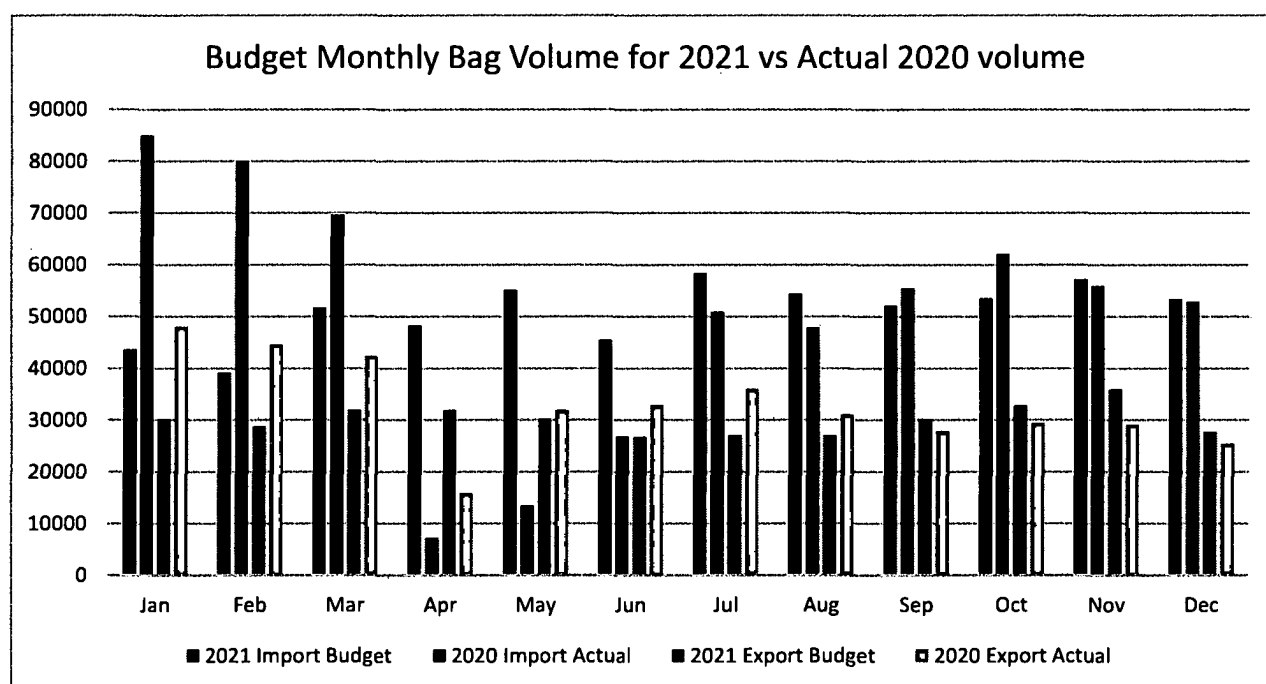
CFL 2021-23 Business Planning

	2021 Plan	2022-2023 Summary	2029 Horizon
Mission	Recovery and sustainability	Innovation and Business Development	Building global connections
Vision	Recovery of volumes and business performance to at least pre-Pandemic levels. Successful realization of benefits of move and technology investments	To innovate to create new opportunities to grow the business through technology, location, partnerships or capability	To have a global network of CFL nodes with comprehensive airline coverage & utilisation
Goals	<ul style="list-style-type: none"> • Effective relocation • Sustainability • Creation and delivery of compelling proposition 	<ul style="list-style-type: none"> • Capability expansion • Volume expansion • Partnership expansion 	<ul style="list-style-type: none"> • Full automation • World leadership • Global coverage
Strategies			
Price	Sustainable and value-based pricing	Broader product range	A globally replicable commercial model
Service	Automate reporting, improve core metrics	Enhanced, IT enabled service capabilities	Globally consistent service standards
People	Continue to develop core capabilities and engagement. Create the CFL community	World class team of fully engaged professionals and fully engaged stakeholders	A global CFL community of people and partners
Brand/Dist	Increase brand awareness, increase customer base, understand and exploit target markets	A wide range of market participants and airlines	Globally acknowledged as central to commerce
Organisation	Develop customer focused organisation	A world-class replicable ('franchise') model	A flexible, fully integrated global network of nodes
Product	Connect our core business activities into clear products	Premium solutions and airside/landside offerings	Comprehensive global products and solutions
Technology	Deploy new system fully, develop reporting, explore innovation	Replicable model with full integration capability. Work with partners to exploit and develop opportunities	A technology led global network infrastructure

COURIER FACILITIES LIMITED

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

One of the key challenges for us during the pandemic has been our ability to forecast accurately given the uncertainty that has been a feature throughout. Therefore, our business plan 2021 is predicated on us achieving the volume we maintained in 2020, and not expecting a recovery in our core volumes until 2022.



Despite the continuing uncertainty over international travel and the extended lockdown at the beginning of the year we are meeting our business goals at time of writing. This, combined with the series of sensible steps we took to mitigate the impact of Covid-19 in 2020, gives us confidence that CFL is well placed to recover fully in 2022.

COURIER FACILITIES LIMITED

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

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 (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
U A Butt (appointed 21 January 2020)
T Boyes (appointed 15 September 2020)

COURIER FACILITIES LIMITED

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

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.

Post balance sheet events

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible to accurately predict the duration or magnitude of any potential consequences as a result of the pandemic at this time.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

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 18th May 2021 and signed on its behalf.



M H Ware
Director

COURIER FACILITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COURIER FACILITIES LIMITED

Opinion

We have audited the financial statements of Courier Facilities Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position 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 2020 and of its loss 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

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

COURIER FACILITIES LIMITED

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

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 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 set out on page 5, 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.

COURIER FACILITIES LIMITED

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

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.

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, are as follows:
 - Companies Act 2006.
 - FRS102.
 - Employment legislation.
 - Tax legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of;
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit;

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;

COURIER FACILITIES LIMITED

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

- Assessing whether judgement and assumptions made in determining significant accounting estimates, including stock provisions, were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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:

27th May 2021

COURIER FACILITIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Turnover	3,534,770	5,255,965
Cost of sales	(2,031,259)	(2,463,771)
Gross profit	1,503,511	2,792,194
Administrative expenses	(2,286,788)	(2,695,201)
Other operating income	353,603	2,789
Operating (loss)/profit	(429,674)	99,782
Interest receivable and similar income	13,533	7,543
Interest payable and expenses	(8,226)	(658)
(Loss)/profit before tax	(424,367)	106,667
Tax on (loss)/profit	-	50
(Loss)/profit for the financial year	(424,367)	106,717
Total comprehensive income for the year	(424,367)	106,717

The notes on pages 14 to 23 form part of these financial statements.

COURIER FACILITIES LIMITED
REGISTERED NUMBER: 01705359

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	5		899,891		601,137
			<u>899,891</u>		<u>601,137</u>
Current assets					
Debtors: amounts falling due within one year	6	998,585		1,400,694	
Cash at bank and in hand	7	3,034,922		2,360,350	
		<u>4,033,507</u>		<u>3,761,044</u>	
Creditors: amounts falling due within one year	8	(924,879)		(760,329)	
Net current assets			<u>3,108,628</u>		<u>3,000,715</u>
Total assets less current liabilities			<u>4,008,519</u>		<u>3,601,852</u>
Creditors: amounts falling due after more than one year	9		(964,097)		(133,063)
Provisions for liabilities					
Other provisions	12	(180,000)		(180,000)	
			<u>(180,000)</u>		<u>(180,000)</u>
Net assets			<u>2,864,422</u>		<u>3,288,789</u>
Capital and reserves					
Called up share capital	13		6,000		6,000
Capital redemption reserve			2,000		2,000
Profit and loss account			2,856,422		3,280,789
			<u>2,864,422</u>		<u>3,288,789</u>

COURIER FACILITIES LIMITED
REGISTERED NUMBER: 01705359

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

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



M H Ware
Director

18th May 2021

The notes on pages 14 to 23 form part of these financial statements.

COURIER FACILITIES LIMITED

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

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 580/1, Sandringham Road, London Heathrow Airport, Hounslow, Middlesex, TW6 3SN.

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 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the factors which impact the company's future development, performance, cash flow, and financial position in forming their opinion on the going concern basis. The directors believe that the company has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable future and therefore use of the going concern assumption is appropriate.

2.3 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.

2.4 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.

COURIER FACILITIES LIMITED

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

2. Accounting policies (continued)

2.4 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:

Construction leasehold property	- Straight line over remainder of the lease
Short-term leasehold property	- Over the term of the lease
Plant and machinery	- 5 years straight line
IT equipment and development	- 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.

2.5 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.

2.6 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.

2.7 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.

COURIER FACILITIES LIMITED

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

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.10 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.

2.11 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.

2.12 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 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.

2.13 Interest income

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

COURIER FACILITIES LIMITED

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

2. Accounting policies (continued)

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.15 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.

2.16 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 66 (2019 - 71).

COURIER FACILITIES LIMITED

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

4. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	245,975	229,480
Company contributions to defined contribution pension schemes	3,532	9,600
	249,507	239,080

The highest paid director received remuneration of £163,341 (2019 - £150,080).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,532 (2019 - £9,600).

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

COURIER FACILITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

	Construction leasehold property £	Short- term leasehold property £	Plant and machinery £	IT equipment and development £	Office equipment £	Total £
Cost						
At 1 January 2020	1,422,491	13,542	240,492	257,059	1,166,640	3,100,224
Additions	-	-	507,891	-	80,074	587,965
Transfers between classes	(132,917)	-	194,126	-	(61,209)	-
At 31 December 2020	<u>1,289,574</u>	<u>13,542</u>	<u>942,509</u>	<u>257,059</u>	<u>1,185,505</u>	<u>3,688,189</u>
Depreciation						
At 1 January 2020	1,311,462	13,542	6,547	255,148	912,388	2,499,087
Charge for the year	18,971	-	113,323	1,911	155,006	289,211
Transfers between classes	(52,285)	-	101,592	-	(49,307)	-
At 31 December 2020	<u>1,278,148</u>	<u>13,542</u>	<u>221,462</u>	<u>257,059</u>	<u>1,018,087</u>	<u>2,788,298</u>
Net book value						
At 31 December 2020	<u>11,426</u>	<u>-</u>	<u>721,047</u>	<u>-</u>	<u>167,418</u>	<u>899,891</u>
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>

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

	2020 £	2019 £
Plant and machinery	133,067	202,599
	<u>133,067</u>	<u>202,599</u>

COURIER FACILITIES LIMITED

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

6. Debtors

	2020 £	2019 £
Trade debtors	377,606	618,907
Other debtors	315,818	432,186
Prepayments and accrued income	305,161	349,601
	<u>998,585</u>	<u>1,400,694</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>3,034,922</u>	<u>2,360,350</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	100,000	-
Trade creditors	323,382	180,789
Other taxation and social security	110,606	63,975
Obligations under finance lease and hire purchase contracts	69,204	69,442
Other creditors	228,799	202,491
Accruals and deferred income	92,888	243,632
	<u>924,879</u>	<u>760,329</u>

Bank loans are secured by way of fixed or floating charge against the property or undertaking of the company.

Obligations under finance leases are secured against the assets leased.

COURIER FACILITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	900,000	-
Obligations under finance leases and hire purchase contracts	64,097	133,063
	<u>964,097</u>	<u>133,063</u>

Bank loans are secured by way of fixed or floating charge against the property or undertaking of the company.

Obligations under finance leases are secured against the assets leased.

10. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	100,000	-
	<u>100,000</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	450,000	-
	<u>450,000</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	450,000	-
	<u>450,000</u>	<u>-</u>
	<u>1,000,000</u>	<u>-</u>

COURIER FACILITIES LIMITED

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

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	69,204	69,442
Between 1-5 years	64,097	133,063
	<u>133,301</u>	<u>202,505</u>

12. Provisions

	£
At 1 January 2020	180,000
At 31 December 2020	<u>180,000</u>

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid 6,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

14. 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 £47,705 (2019 - £66,834). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the reporting date and are included in creditors.

COURIER FACILITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Land and buildings		
Not later than 1 year	1,098,396	511,833
Later than 1 year and not later than 5 years	2,724,750	-
	<u>3,823,146</u>	<u>511,833</u>
	2020 £	2019 £
Other		
Not later than 1 year	397	5,957
Later than 1 year and not later than 5 years	-	397
	<u>397</u>	<u>6,354</u>

16. 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 £1,722,564 (2019 - £2,185,556) and trade debtors at year end in respect of that turnover was £175,596 (2019 - £387,934).

The purchases from the shareholders during the year totalled £10,473 (2019 - £227,221) and trade creditors at the year end in respect of those purchases was £8,812 (2019 - £Nil).

The turnover from companies with common directors during the year totalled £Nil (2019 - £126,139) and trade debtors at the year end in respect of that turnover was £2,952 (2019 - £7,889).

17. Post balance sheet events

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible to accurately predict the duration or magnitude of any potential consequences as a result of the pandemic at this time.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

18. Controlling party

There is no ultimate controlling party.