

Company Registration No. 03410368 (England and Wales)

HEAVYWEIGHT AIR EXPRESS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

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HEAVYWEIGHT AIR EXPRESS LIMITED

COMPANY INFORMATION

Directors	Mr N Karai Mr R Thackeray Mr C White
Company number	03410368
Registered office	3 Cygnus Court Beverley Road East Midlands Airport Derbyshire DE74 2SA
Auditor	Keens Shay Keens MK LLP Chartered accountants & statutory auditor Sovereign Court 230 Upper Fifth Street Central Milton Keynes MK9 2HR

HEAVYWEIGHT AIR EXPRESS LIMITED

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HEAVYWEIGHT AIR EXPRESS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present the strategic report for the period ended 31 December 2018.

Principal activities and results for the period ended 31 December 2018

The Company's main activity is the provision of wholesaling services to UK freight forwarders and parcel carriers.

Both the level of business and the year end financial performance in the UK were as expected in light of the current trading conditions. Profit before tax amounts to £3,922,206 (2017 £998,171). The Directors do not recommend the payment of a dividend (2017 £nil).

Business review and future developments

The business has performed as expected given the current market condition which continues to apply significant pressure on margins from both airlines and customers.

Business activity has been maintained in the first half of the 2019 financial year but there will significant pressure on yield in the second half of the year as the market begins to soften. The company will continue to focus in 2019 on providing its customers with an increasing range of products in the solution business.

Principal risks and uncertainties

The management of the business and the execution of the companies strategy is subject to a number of risks. These risks are formally reviewed at Board level at each Board meeting. The key non-financial risks identified are as follows:

Business risk

The main risks identified are changes in the global economy and the risk of inadequate financing facilities.

To mitigate these risks the Board undertakes monthly reviews of the individual entities results versus budget and ensures that the resource level in each entity is appropriate for that entities level of business. The Board is confident that it has sufficient headroom in its financing available to fund the business in the medium term.

Airline risk

The Company faces a risk that certain airlines may fail due to the current economic climate, airline consolidation and that it will not renew certain airline contracts as they fall due.

To mitigate these risks the Company ensures that it has a balanced portfolio of airlines and is also constantly tendering for new airlines as contract renewals fall due.

People risk

The main risks identified are:

- that of losing key staff because of not providing sufficient development opportunities
- a serious security breach or incident occurs that is attributable to one of our employees
- the failure to provide our staff with appropriate training and complying with relevant legislation

To mitigate these risks the Company tries to ensure that all staff are subject to continual training and that there are personal development programmes in place. One of the key objectives of the company is to continually improve our safety and security standards throughout the Company.

Economic risk

There are potential risks and uncertainties resulting from the UK's decision to leave the EU. The Directors do not consider this to be a significant risk to the business and will continue to monitor the situation as it unfolds.

HEAVYWEIGHT AIR EXPRESS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

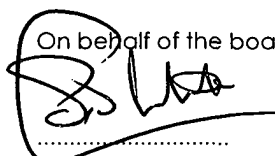
Key performance indicators

HAE monitors a number of key performance indicators (KPIs) to help achieve key business objectives as follows:

KPI	18 months 31/12/2018 2018	12 months 30/06/2017 2017
Total revenue (£'000)	30,294	13,813
Total tonnage	42,836	25,624

The decrease in revenue is due to the continued pressure on yield.

On behalf of the board



Mr C White

Director

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HEAVYWEIGHT AIR EXPRESS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the period ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of wholesaling services to UK freight forwarders and parcel carriers.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr. M Sweeney

(Resigned 21 February 2018)

Mr N Karai

Mr R Thackeray

Mr C White

Results and dividends

The results for the period are set out on page 8.

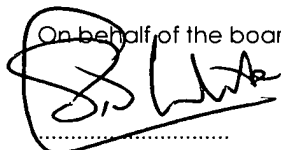
Ordinary dividends were paid amounting to £2,123,632. The directors do not recommend payment of a further dividend.

Auditor

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr C White

Director

Date: 24/9/19

HEAVYWEIGHT AIR EXPRESS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

HEAVYWEIGHT AIR EXPRESS LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HEAVYWEIGHT AIR EXPRESS LIMITED

Opinion

We have audited the financial statements of Heavyweight Air Express Limited (the 'company') for the period ended 31 December 2018 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

HEAVYWEIGHT AIR EXPRESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HEAVYWEIGHT AIR EXPRESS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

HEAVYWEIGHT AIR EXPRESS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF HEAVYWEIGHT AIR EXPRESS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Rayner FCA (Senior Statutory Auditor)
for and on behalf of Keens Shay Keens MK LLP

24/9/19

Chartered Accountants
Statutory Auditor

Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

HEAVYWEIGHT AIR EXPRESS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE PERIOD ENDED 31 DECEMBER 2018

		Period ended 31 December 2018 £	Year ended 30 June 2017 £
	Notes		
Turnover	3	30,294,464	13,812,844
Cost of sales		(23,761,671)	(9,689,957)
Gross profit		6,532,793	4,122,887
Administrative expenses		(3,964,986)	(3,483,109)
Other operating income		268,405	351,434
Operating profit	4	2,836,212	991,212
Interest receivable and similar income	8	1,094,329	17,990
Interest payable and similar expenses	9	(8,335)	(11,031)
Profit before taxation		3,922,206	998,171
Tax on profit	10	(232,750)	(95,377)
Profit for the financial period		3,689,456	902,794
Retained earnings brought forward		10,439,391	9,536,597
Dividends	11	(2,123,632)	-
Retained earnings carried forward		12,005,215	10,439,391

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

HEAVYWEIGHT AIR EXPRESS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2018

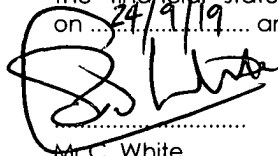
	Period ended 31 December 2018 £	Year ended 30 June 2017 £
Profit for the period	3,689,456	902,794
Other comprehensive income	-	-
Total comprehensive income for the period	<u>3,689,456</u>	<u>902,794</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	742,402		1,120,984	
Investments	13	692,192		692,192	
		<u>1,434,594</u>		<u>1,813,176</u>	
Current assets					
Debtors	15	18,469,677		12,776,251	
Cash at bank and in hand		8,557		9,895	
		<u>18,478,234</u>		<u>12,786,146</u>	
Creditors: amounts falling due within one year	16	<u>(7,579,775)</u>		<u>(3,951,835)</u>	
Net current assets		<u>10,898,459</u>		<u>8,834,311</u>	
Total assets less current liabilities		<u>12,333,053</u>		<u>10,647,487</u>	
Creditors: amounts falling due after more than one year	17	(164,838)		(75,096)	
Provisions for liabilities	19	(30,000)		-	
Net assets		<u>12,138,215</u>		<u>10,572,391</u>	
Capital and reserves					
Called up share capital	21	20,000		20,000	
Revaluation reserve		-		113,000	
Profit and loss reserves		<u>12,118,215</u>		<u>10,439,391</u>	
Total equity		<u>12,138,215</u>		<u>10,572,391</u>	

The financial statements were approved by the board of directors and authorised for issue on 24/9/19 and are signed on its behalf by:



Mr C White
Director

Company Registration No. 03410368

HEAVYWEIGHT AIR EXPRESS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2016		20,000	113,000	9,536,597	9,669,597
Period ended 30 June 2017:					
Profit and total comprehensive income for the period		-	-	902,794	902,794
Balance at 30 June 2017		20,000	113,000	10,439,391	10,572,391
Period ended 31 December 2018:					
Profit and total comprehensive income for the period		-	-	3,689,456	3,689,456
Dividends	11	-	-	(2,123,632)	(2,123,632)
Transfers		-	(113,000)	113,000	-
Balance at 31 December 2018		20,000	-	12,118,215	12,138,215

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Heavyweight Air Express Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Cygnus Court, Beverley Road, East Midlands Airport, Derbyshire, DE74 2SA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of World Freight Company International S.A.S. These consolidated financial statements are available from its registered office Zone De Fret 4, 3 Rue Du Cercel Bat 3313, Roissy CDG Aeroport, France, F95705.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Reporting period

The company has changed its financial year end from 30 June to 31 December in order to align with its ultimate parent company's year end. The financial statements presented are for the 18 month period ended 31 December 2018 and the comparatives are presented for the 12 month period ended 30 June 2017.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	50% straight line
Computers	50% straight line
Motor vehicles	50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Included in the net book value of the £652,800 (2017 : £965,800) is £652,800 (2017 : £652,800) of freehold investment property held in trust by the Westbush Group Limited Employee Trust.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

3 Turnover and other revenue

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

	2018	2017
	£	£
Turnover analysed by class of business		
Rendering services	30,294,464	13,812,844

	2018	2017
	£	£
Other significant revenue		
Interest income	-	17,990
Dividends received	1,094,329	-
Rental income	1,005	72,756
Management charges receivable	245,800	278,678

4 Operating profit

	2018	2017
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(37,850)	162,291
Depreciation of owned tangible fixed assets	194,880	138,291
Profit on disposal of tangible fixed assets	(63,494)	-
Operating lease charges	65,680	90,924

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £37,850 (2017 - £162,291).

5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	21,872	39,460

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

6 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2018 Number	2017 Number
Average number of employees	62	68

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,205,647	1,842,903
Social security costs	328,050	214,906
Pension costs	147,964	34,164
	<u>3,681,661</u>	<u>2,091,973</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>747,715</u>	<u>666,499</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>161,725</u>	<u>101,343</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

8 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Other interest income	-	17,990
Income from fixed asset investments		
Income from shares in group undertakings	1,094,329	-
Total income	<u>1,094,329</u>	<u>17,990</u>

9 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and loans	7,586	-
Interest on finance leases and hire purchase contracts	-	2,711
Other interest	749	8,320
	<u>8,335</u>	<u>11,031</u>

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	232,750	1,097
Adjustments in respect of prior periods	-	94,280
Total current tax	<u>232,750</u>	<u>95,377</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

(Continued)

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	3,922,206	998,171
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	745,219	189,652
Tax effect of expenses that are not deductible in determining taxable profit	1,483	9,568
Group relief	(331,794)	(176,039)
Permanent capital allowances in excess of depreciation	(12,064)	(22,084)
Dividend income	(207,923)	-
Rounding on tax charge	-	94,280
Taxation charge for the period	194,921	95,377
Taxation charge in the financial statements	232,750	95,377
Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.	(37,829)	-
11 Dividends		
	2018 £	2017 £
Final paid	2,123,632	-

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

12 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2017	1,004,266	677,522	-	220,218	1,902,006
Additions	-	47,973	91,013	50,075	189,061
Disposals	(351,466)	(261,147)	-	(223,991)	(836,604)
At 31 December 2018	652,800	464,348	91,013	46,302	1,254,463
Depreciation and impairment					
At 1 July 2017	38,466	602,822	-	139,734	781,022
Depreciation charged in the period	-	84,879	39,205	70,796	194,880
Eliminated in respect of disposals	(38,466)	(261,147)	-	(164,228)	(463,841)
At 31 December 2018	-	426,554	39,205	46,302	512,061
Carrying amount					
At 31 December 2018	652,800	37,794	51,808	-	742,402
At 30 June 2017	965,800	74,700	-	80,484	1,120,984

Included within the net book value of £652,800 (2017 : £652,800) is £652,800 (2017 : £652,800) of freehold investment property held in trust by the Westbush Group Limited Employee Trust.

13 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	14	692,192	692,192

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2017 and 31 December 2018	692,192
Carrying amount	
At 31 December 2018	692,192
At 30 June 2017	692,192

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Air Liaison Limited	England	Freight sales and marketing	Ordinary	100.00	
Belfast Airport Handling Limited	England	Aircraft ground handling	Ordinary	100.00	
East Midlands Airport Handling Limited	England	Aircraft ground handling	Ordinary	100.00	
Group Air (S.A.) Proprietary Limited	South Africa	Logistics and freight forwarding	Ordinary	80.00	
Heavyweight Air Express FZCO	UAE	Freight sales and marketing	Ordinary	100.00	
Heavyweight Air Express FZE	UAE	Freight sales and marketing	Ordinary	100.00	
Heavyweight Air Express Limited	Ireland	Freight sales and marketing	Ordinary	100.00	
Heavyweight Air Express LLC	USA	Freight sales and marketing	Ordinary	100.00	
Heavyweight Air Express	Brazil	Freight sales and marketing	Ordinary	100.00	
Heavyweight Air Express	Chile	Freight sales and marketing	Ordinary	100.00	
Heathrow Airport Handling Limited	England	Aircraft ground handling	Ordinary	100.00	
Pro Charter DW LLC	Dubai	Aircraft chartering	Ordinary	60.00	
Transport Security Associates Limited	England	Transport security consultancy	Ordinary	100.00	

15 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	2,299,261	1,713,101
Corporation tax recoverable	205,024	57,660
Amounts owed by group undertakings	14,807,868	8,988,555
Other debtors	975,989	1,841,417
Prepayments and accrued income	181,535	175,518
	<u>18,469,677</u>	<u>12,776,251</u>

Included in the above is an amount of £815,000 (2017 : £815,000) held in trust by the Westbush Group Limited Employee Trust as loans to beneficiaries of that trust.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

16 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	18	58,164	25,032
Trade creditors		1,589,461	1,658,606
Amounts owed to group undertakings		3,413,084	1,204,941
Corporation tax		257,899	-
Other taxation and social security		623,118	709,496
Dividends payable		652,800	-
Other creditors		21,449	10,157
Accruals and deferred income		963,800	343,603
		<u>7,579,775</u>	<u>3,951,835</u>

The company's hire purchase liabilities are secured against the assets to which they relate.

17 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	18	<u>164,838</u>	<u>75,096</u>

The company's hire purchase liabilities are secured against the assets to which they relate.

18 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	58,164	25,032
In two to five years	164,838	75,096
	<u>223,002</u>	<u>100,128</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

2018 £	2017 £
<u>30,000</u>	<u>-</u>

HEAVYWEIGHT AIR EXPRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018

19 Provisions for liabilities **(Continued)**

Movements on provisions:

	£
Additional provisions in the year	30,000

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	147,964	34,164

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000
	20,000	20,000

22 Contingent liability

The company has been subject to an enquiry by HMRC into the Corporation Tax computations for the years ended 30 June 2016 and 30 June 2017. At present HMRC's findings have not been finalised and therefore, whilst an additional tax liability is envisaged, its quantification is uncertain.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	-	64,454
Between two and five years	404,092	267,143
In over five years	2,389,148	2,582,967
	<u>2,793,240</u>	<u>2,914,564</u>

24 Directors' transactions

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Mr N Karai -	-	59,523	(59,523)	-
Mr R Thackeray -	-	37,891	(37,891)	-
Mr C White -	-	91,504	(91,504)	-
		<u>188,918</u>	<u>(188,918)</u>	<u>-</u>

25 Controlling party

The immediate parent company is HAE Group Limited, a company registered in England and Wales.

The ultimate parent company is World Freight Company International S.A.S. The company's results are included in the consolidated accounts of World Freight Company International S.A.S. which are available from its registered office Zone De Fret 4, 3 Rue Du Cercel Bat 3313, Roissy CDG Aeroport, France, F95705.