

Company Registration No. 03410368 (England and Wales)

HEAVYWEIGHT AIR EXPRESS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

WEDNESDAY



A9L00S6J

A14

30/12/2020

#110

COMPANIES HOUSE

HEAVYWEIGHT AIR EXPRESS LIMITED

COMPANY INFORMATION

Directors	Mr N Karai Mr R Thackeray Mr C M A White
Secretary	Mr C M A White
Company number	03410368
Registered office	Donington Court Pegasus Business Park Beverley Road East Midlands Airport Derby England DE74 2UZ
Auditor	MHA MacIntyre Hudson Chartered Accountants Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

HEAVYWEIGHT AIR EXPRESS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of income and retained earnings	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 28

HEAVYWEIGHT AIR EXPRESS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal activities and results for the period ended 31 December 2019

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 £1,989,919 (2018 £3,557,262). The Directors do not recommend the payment of a dividend (2018 £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 during 2020 has been challenging due to the worldwide pandemic. The board has taken appropriate steps to restructure the business and lower its cost of production during the peak of the pandemic. Due to its varied product portfolio the business has been able to maintain its activity throughout 2020.

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 YEAR ENDED 31 DECEMBER 2019

Key performance indicators

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

	12 months	18 months
	31/12/2019	31/12/2018
KPI	2019	2018
Total revenue (£'000)	18,844	30,294
Total tonnage	27,388	42,836

The decrease in yield is due to continued market pressure during 2019 as a result of overcapacity in the market.

On behalf of the board



Mr C M A White

Director

22/12/2020

HEAVYWEIGHT AIR EXPRESS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 year and up to the date of signature of the financial statements were as follows:

Mr N Karai
Mr R Thackeray
Mr C M A White

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

On the 1 January 2020, our auditors Keens Shay Keens MK LLP merged with MacIntyre Hudson LLP, trading under the name MHA MacIntyre Hudson. MHA MacIntyre Hudson has expressed their willingness to continue in office.

In accordance with the company's articles, a resolution proposing that MHA MacIntyre Hudson be appointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

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.

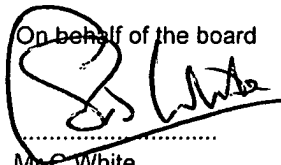
HEAVYWEIGHT AIR EXPRESS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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: 22/11/2020

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 year ended 31 December 2019 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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.

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 year 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.

HEAVYWEIGHT AIR EXPRESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HEAVYWEIGHT AIR EXPRESS LIMITED

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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Simon Knibbs MA FCA (Senior Statutory Auditor)
for and on behalf of MHA MacIntyre Hudson

23 December 2020
.....

Chartered Accountants
Statutory Auditor

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

HEAVYWEIGHT AIR EXPRESS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2019

		Year ended 31 December 2019 £	Period ended 31 December 2018 as restated £
	Notes		
Turnover	3	18,844,030	30,294,464
Cost of sales		(14,172,036)	(23,761,671)
Gross profit		4,671,994	6,532,793
Administrative expenses		(2,690,027)	(4,329,930)
Other operating income		14,400	268,405
Operating profit	4	1,996,367	2,471,268
Interest receivable and similar income	8	3,039	1,094,329
Interest payable and similar expenses	9	(5,387)	(8,335)
Amounts written off investments	10	(4,100)	-
Profit before taxation		1,989,919	3,557,262
Tax on profit	11	(158,821)	(232,750)
Profit for the financial year		1,831,098	3,324,512
Retained earnings brought forward		11,753,271	10,439,391
Dividends	12	-	(2,123,632)
Transfer of revaluation reserve			113,000
Retained earnings carried forward		13,584,369	11,753,271

The statement of income has been prepared on the basis that all operations are continuing operations.

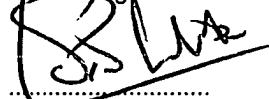
HEAVYWEIGHT AIR EXPRESS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13		600,787		-
Tangible assets	14		244,487		742,402
Investments	15		688,092		692,192
			<u>1,533,366</u>		<u>1,434,594</u>
Current assets					
Debtors	17	22,043,513		18,469,677	
Cash at bank and in hand		750		8,557	
		<u>22,044,263</u>		<u>18,478,234</u>	
Creditors: amounts falling due within one year	18	(9,553,294)		(7,944,719)	
Net current assets			<u>12,490,969</u>		<u>10,533,515</u>
Total assets less current liabilities			<u>14,024,335</u>		<u>11,968,109</u>
Creditors: amounts falling due after more than one year	19		(231,145)		(164,838)
Provisions for liabilities	21		(188,821)		(30,000)
Net assets			<u><u>13,604,369</u></u>		<u><u>11,773,271</u></u>
Capital and reserves					
Called up share capital	24		20,000		20,000
Profit and loss reserves			13,584,369		11,753,271
Total equity			<u><u>13,604,369</u></u>		<u><u>11,773,271</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22/12/2020 and are signed on its behalf by:



Mr C M A White
Director

Company Registration No. 03410368

HEAVYWEIGHT AIR EXPRESS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2018:					
Balance at 1 July 2017		20,000	113,000	10,439,391	10,572,391
Period ended 31 December 2018:					
Profit and total comprehensive income for the period		-	-	3,324,512	3,324,512
Dividends	12	-	-	(2,123,632)	(2,123,632)
Transfers		-	(113,000)	113,000	-
Balance at 31 December 2018		20,000	-	11,753,271	11,773,271
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	1,831,098	1,831,098
Balance at 31 December 2019		20,000	-	13,584,369	13,604,369

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 Donington Court, Pegasus Business Park, Beverley Road, East Midlands Airport, Derby, England, DE74 2UZ.

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 £.

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 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': 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 the statement of income and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to the statement of income, 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.

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19.

This analysis also considers the effectiveness of available measures to assist in mitigating the impact. Based on these assessments and having regard to the resources available to the company and the wider group, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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.

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.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Development costs	20% straight line
-------------------	-------------------

1.6 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 the statement of income.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.7 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 the statement of income.

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.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 the statement of income, 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 the statement of income, 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.

1.9 Cash and cash equivalents

Cash and cash equivalents 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 YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 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 the statement of income, 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 the statement of income.

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 the statement of income.

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.

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.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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 the statement of income 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 statement of income. Debt instruments may be designated as being measured at fair value through the statement of income 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.

1.11 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.

1.12 Taxation

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

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.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.13 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 the statement of income in the period in which it arises.

1.14 Retirement benefits

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

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 statement of income 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 the statement of 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 leases 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.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

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.

	2019 £	2018 £
Turnover analysed by class of business		
Rendering services	18,844,030	30,294,464
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	3,039	-
Dividends received	-	1,094,329
Rental income	-	1,005
Management charges receivable	-	245,800
	<u> </u>	<u> </u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	78,852	(37,850)
Depreciation of owned tangible fixed assets	109,140	194,880
Profit on disposal of tangible fixed assets	-	(63,494)
Amortisation of intangible assets	70,133	-
Operating lease charges	35,011	65,680
	<u> </u>	<u> </u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Operating profit (Continued)

Exchange differences recognised in the statement of income during the year, except for those arising on financial instruments measured at fair value through statement of income, amounted to £78,852 (2018 - £37,850).

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	21,352	21,872

6 Employees

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

	2019 Number	2018 Number
Average number of employees	78	62

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,604,406	3,205,647
Social security costs	194,957	328,050
Pension costs	155,163	147,964
	1,954,526	3,681,661

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	464,775	747,715

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 0).

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Directors' remuneration (Continued)

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

	2019 £	2018 £
Remuneration for qualifying services	132,643	161,725

During the year £243,280 (2018 - £428,026) was paid for directors services to third parties.

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Other interest income	3,039	-
Income from fixed asset investments		
Income from shares in group undertakings	-	1,094,329
Total income	3,039	1,094,329

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	5,387	7,586
Other interest	-	749
	5,387	8,335

10 Amounts written off investments fixed asset investments

	2019 £	2018 £
Other gains and losses	(4,100)	-

11 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	-	232,750

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Deferred tax

Origination and reversal of timing differences

158,821

-

Total tax charge

158,821

232,750

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

	2019 £	2018 £
Profit before taxation	1,989,919	3,557,262
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	378,085	675,880
Tax effect of expenses that are not deductible in determining taxable profit	15,681	17,841
Group relief	(86,341)	(411,805)
Permanent capital allowances in excess of depreciation	(17,650)	(2,187)
Research and development tax credit	(289,775)	-
(Under)/over provided in current and prior years	-	91,605
Dividend income	-	(207,923)
Deferred Tax	158,821	-
Transition adjustments	-	69,339
Taxation charge for the year	158,821	232,750

12 Dividends

	2019 £	2018 £
Interim paid	-	2,123,632

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Intangible fixed assets

	Development costs £
Cost	
At 1 January 2019	-
Additions - internally developed	663,100
Additions - separately acquired	7,820
At 31 December 2019	670,920
Amortisation and impairment	
At 1 January 2019	-
Amortisation charged for the year	70,133
At 31 December 2019	70,133
Carrying amount	
At 31 December 2019	600,787
At 31 December 2018	-

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2019	652,800	464,348	91,013	46,302	1,254,463
Additions	-	76,152	78,773	109,100	264,025
Disposals	(652,800)	-	-	-	(652,800)
At 31 December 2019	-	540,500	169,786	155,402	865,688
Depreciation and impairment					
At 1 January 2019	-	426,554	39,205	46,302	512,061
Depreciation charged in the year	-	37,007	56,223	15,910	109,140
At 31 December 2019	-	463,561	95,428	62,212	621,201
Carrying amount					
At 31 December 2019	-	76,939	74,358	93,190	244,487
At 31 December 2018	652,800	37,794	51,808	-	742,402

Included within the net book value of £Nil (2018 : £652,800) is £Nil (2018 ; £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 YEAR ENDED 31 DECEMBER 2019

15 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	16	688,092	692,192

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2017 and 31 December 2018	692,192
Disposals	(4,100)
At 31 December 2019	688,092
Carrying amount	
At 31 December 2019	688,092
At 31 December 2018	692,192

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Air Liaison Limited	England	Ordinary	100.00	-
Belfast Airport Handling Limited	England	Ordinary	100.00	-
East Midlands Airport Handling Limited	England	Ordinary	100.00	-
Groupair (S.A.) Proprietary Limited	South Africa	Ordinary	100.00	-
Heathrow Airport Handling Limited	England	Ordinary	100.00	-
Heavyweight Air Express	Brazil	Ordinary	79.60	-
Heavyweight Air Express	Chile	Ordinary	100.00	-
Heavyweight Air Express FZCO	UAE	Ordinary	100.00	-
Heavyweight Air Express FZE	UAE	Ordinary	100.00	-
Heavyweight Air Express Limited	Ireland	Ordinary	100.00	-
Heavyweight Air Express LLC	USA	Ordinary	100.00	-
Procharter DWC LLC	Dubai	Ordinary	60.00	-
Transport Security Associates Limited	England	Ordinary	100.00	-
Heavyweight Air Express Florida	USA	Ordinary	100.00	-
HW Latam	USA	Ordinary	51.00	-
TSA ME FZE	UAE	Ordinary	100.00	-

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,766,176	2,299,261
Corporation tax recoverable	150,794	205,024
Amounts owed by group undertakings	17,946,848	14,807,868
Other debtors	1,000,141	975,989
Prepayments and accrued income	129,386	181,535
	<u>21,993,345</u>	<u>18,469,677</u>
Amounts falling due after more than one year:		
Other debtors	<u>50,168</u>	<u>-</u>
Total debtors	<u>22,043,513</u>	<u>18,469,677</u>

Included in other debtors above is an amount of £250,000 (2018 : £815,000) held in trust by the Westbush Group Limited Employee Trust as loans to beneficiaries of that trust.

Included within other debtors are loans to employees amounting to £68,502. Of this amount, £50,168 is due after one year.

Amounts owed by group undertaking and other debtors are held at amortised cost.

18 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases	20	114,564	58,164
Trade creditors		1,731,160	1,589,461
Amounts owed to group undertakings		4,941,072	3,413,084
Corporation tax		118,963	257,899
Other taxation and social security		684,140	623,118
Dividends payable		-	652,800
Other creditors		74,615	21,449
Accruals and deferred income		1,888,780	1,328,744
		<u>9,553,294</u>	<u>7,944,719</u>

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

Trade creditors and other creditors are held at amortised cost.

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	20	231,145	164,838

The company's hire purchase liabilities are secured against the assets to which they relate. Included in HP liabilities is £79,912 (£28,204 due within one year and £51,708 due greater than one year) where the liability is secured against assets in Heathrow Airport Handling Limited, a group company.

20 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	114,564	58,164
In two to five years	231,145	164,838
	<u>345,709</u>	<u>223,002</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.

21 Provisions for liabilities

	Notes	2019 £	2018 £
Dilapidations reserve		30,000	30,000
Deferred tax liabilities	22	158,821	-
		<u>188,821</u>	<u>30,000</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	<u>158,821</u>	<u>-</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

22 Deferred taxation (Continued)

	2019
Movements in the year:	£
Liability at 1 January 2019	-
Charge to profit or loss	158,821
	<hr/>
Liability at 31 December 2019	158,821
	<hr/>

The deferred tax liability set out above is relates to accelerated capital allowances that are expected to mature within the same period.

23 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to the statement of income in respect of defined contribution schemes	155,163	147,964
	<hr/>	<hr/>

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.

24 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000
	<hr/>	<hr/>

25 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 YEAR ENDED 31 DECEMBER 2019

26 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:

	2019 £	2018 £
Within one year	153,559	-
Between two and five years	272,441	404,092
In over five years	2,107,522	2,389,148
	<u>2,533,522</u>	<u>2,793,240</u>

27 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	Opening balance £	Amounts advanced £	Closing balance £
Mr N Karai -	-	3,857	3,857
Mr C M A White -	-	2,447	2,447
	<u>-</u>	<u>6,304</u>	<u>6,304</u>

28 Ultimate 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.

29 Prior period adjustment

The company has identified management charges of £364,944 between Heavyweight Air Express Limited and Heavyweight Air Express Poland for the year ended 31 December 2018 which were excluded from the 2018 signed accounts. A prior year adjustment has been made in respect of this.

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 Dec 2018 £
Creditors due within one year			
Other creditors	(6,640,594)	(364,944)	(7,005,538)
	<u>(6,640,594)</u>	<u>(364,944)</u>	<u>(7,005,538)</u>

HEAVYWEIGHT AIR EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

29 Prior period adjustment

(Continued)

	As previously reported	Adjustment	As restated at 31 Dec 2018
Capital and reserves			
Profit and loss	12,118,215	(364,944)	11,753,271

Changes to the profit and loss account

	As previously reported	Adjustment	As restated
Period ended 31 December 2018	£	£	£
Administrative expenses	(3,964,986)	(364,944)	(4,329,930)
Profit for the financial period	3,689,456	(364,944)	3,324,512

30 Events after the balance sheet date

Since the year end, the COVID-19 pandemic has had a significant impact on the worldwide economy and the UK market. Consideration has been given with the highest priority to meeting customer demands and maintaining the ability to effect payments on time to our suppliers. The strong liquidity of the Group contributes to the stability of the company's financial situation.