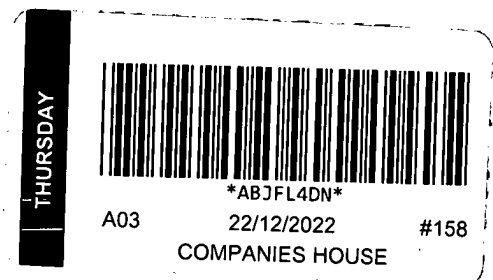


Registered number: 03410368

# **HEAVYWEIGHT AIR EXPRESS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Mr N Karai Mr R Thackeray Mr C R White
<b>Company secretary</b>	Mr C R White
<b>Registered number</b>	03410368
<b>Registered office</b>	Donington Court Pegasus Business Park Beverley Road East Midlands Airport Derby DE74 2UZ
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

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## **HEAVYWEIGHT AIR EXPRESS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Introduction**

The Directors present the Strategic Report for the year ended 31 December 2021.

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 £1,593,415 (2020: £2,432,350). The Directors do not recommend the payment of a dividend (2020: £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 2021 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 successfully maintain its business activity throughout 2021.

#### **Principal risks and uncertainties**

The management of the business and the execution of the group's 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.

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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.

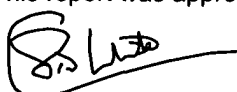
#### Financial key performance indicators

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

	2021	2020
	£	£
Total revenue (£'000)	22,816	25,314
Total tonnage	32,490	30,742

The increase in turnover is driven by a 12% increase in volume and an increase in yield as a result of the reduction in airfreight capacity caused by the worldwide pandemic.

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



**Mr C R White**  
Director

Date: 14/12/22

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The Directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,531,759 (2020 - £2,519,696).

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

#### Directors

The Directors who served during the year were:

Mr N Karai  
Mr R Thackeray  
Mr C R White

#### Disclosure of information to auditors

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

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

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**Mr C R White**  
Director

Date: 14/12/22

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## **HEAVYWEIGHT AIR EXPRESS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEAVYWEIGHT AIR EXPRESS LIMITED**

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#### **Opinion**

We have audited the financial statements of Heavyweight Air Express Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

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## **HEAVYWEIGHT AIR EXPRESS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEAVYWEIGHT AIR EXPRESS LIMITED (CONTINUED)**

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#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

#### **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 or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEAVYWEIGHT AIR EXPRESS LIMITED (CONTINUED)

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#### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEAVYWEIGHT AIR EXPRESS LIMITED  
(CONTINUED)**

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**Use of our report**

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



Simon Knibbs MA FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

Milton Keynes

Date:

*10 December 2022*

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £	2020 £
Turnover	4	22,815,901	25,314,207
Cost of sales		(17,936,503)	(20,056,973)
<b>Gross profit</b>		<b>4,879,398</b>	<b>5,257,234</b>
Administrative expenses		(3,320,892)	(2,970,197)
Other operating income	5	-	144,171
<b>Operating profit</b>		<b>1,558,506</b>	<b>2,431,208</b>
Interest receivable and similar income	9	-	6,474
Interest payable and similar expenses	10	(6,848)	(5,332)
<b>Profit before tax</b>		<b>1,551,658</b>	<b>2,432,350</b>
Tax on profit	11	(19,899)	87,346
<b>Profit after tax</b>		<b>1,531,759</b>	<b>2,519,696</b>
Retained earnings at the beginning of the year		16,104,065	13,584,369
Profit for the year		1,531,759	2,519,696
<b>Retained earnings at the end of the year</b>		<b>17,635,824</b>	<b>16,104,065</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 13 to 27 form part of these financial statements.

**HEAVYWEIGHT AIR EXPRESS LIMITED**  
**REGISTERED NUMBER: 03410368**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	1,525,342	1,136,146
Tangible assets	13	241,194	133,455
Investments	14	688,092	688,092
		<u>2,454,628</u>	<u>1,957,693</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	-	133,951
Debtors: amounts falling due within one year	15	27,527,126	33,971,117
Cash at bank and in hand	16	21,087	750
		<u>27,548,213</u>	<u>34,105,818</u>
Creditors: amounts falling due within one year	17	(11,886,255)	(19,216,775)
<b>Net current assets</b>		<u>15,661,958</u>	<u>14,889,043</u>
<b>Total assets less current liabilities</b>		<u>18,116,586</u>	<u>16,846,736</u>
Creditors: amounts falling due after more than one year	18	(144,957)	(81,765)
<b>Provisions for liabilities</b>			
Deferred tax	20	(223,805)	(203,906)
Other provisions	21	(92,000)	(437,000)
		<u>(315,805)</u>	<u>(640,906)</u>
<b>Net assets</b>		<u><u>17,655,824</u></u>	<u><u>16,124,065</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	20,000	20,000
Profit and loss account		17,635,824	16,104,065
		<u><u>17,655,824</u></u>	<u><u>16,124,065</u></u>

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**HEAVYWEIGHT AIR EXPRESS LIMITED**  
**REGISTERED NUMBER: 03410368**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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



**Mr C R White**  
Director

Date: 14/12/22

The notes on pages 13 to 27 form part of these financial statements.

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General 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.

The Company's functional and presentational currency is the British Pound Sterling and the financial statements are presented in round pounds.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of World Freight Company International S.A.S. as at 31 December 2021 and these financial statements may be obtained from its registered office Zone De Fret 4, 3 Rue Du Cercel Bat 3313, Roissy CDG Aeroport, France, F95705..

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

At the time of approving the financial statements, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been prepared on a going concern basis. The Director has considered relevant information, including the annual budget and forecast future cash flows. The Director has performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios.

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 Director has concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

##### 2.4 Foreign currency translation

###### Transactions and balances

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

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

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

##### 2.5 Revenue

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

###### Rendering of services

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

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

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

##### 2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.8 Government grants

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

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

##### 2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.10 Finance costs

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

##### 2.11 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.12 Current and deferred taxation**

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

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

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

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

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

**2.13 Intangible assets**

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

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

The estimated useful lives range as follows:

Development costs	-	20% straight line
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**2.14 Tangible fixed assets**

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

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.14 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Motor vehicles	-	50% Per annum
Fixtures and fittings	-	50% Per annum
Computer equipment	-	50% Per annum

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

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

##### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.16 Provisions for liabilities

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

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

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

##### 2.17 Financial instruments

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.17 Financial instruments (continued)

there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### a) Critical judgments in applying accounting policies

There are no judgments (apart from those involving estimates) that have had a significant effect on amounts recognised in the Financial Statements.

##### b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the most significant potential impact upon the carrying values of assets and liabilities within the next financial year are as follows:

##### Useful economic lives of tangible fixed assets

The useful economic lives used by the Company in respect of tangible fixed assets are set out in the accounting policies. These estimates are the best estimate based on past experience and expected performance and are regularly reviewed to ensure they remain appropriate. The net book value of tangible fixed assets as at 31 December 2021 was £241,194 after a depreciation charge in the year of £121,552.

##### Useful economic lives of intangible fixed assets

The useful economic lives used by the Company in respect of intangible fixed assets are set out in the accounting policies. These estimates are the best estimate based on past experience and expected performance and are regularly reviewed to ensure they remain appropriate. The net book value of intangible fixed assets as at 31 December 2021 was £1,525,342 after an amortisation charge in the year of £365,553

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Rendering services	22,815,901	25,314,207

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2021 £	2020 £
Government grants receivable	-	144,171

#### 6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	23,250	36,510

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 7. Employees

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

	2021 £	2020 £
Wages and salaries	1,702,134	1,649,317
Social security costs	183,384	138,756
Cost of defined contribution scheme	234,520	180,105
	<u>2,120,038</u>	<u>1,968,178</u>

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

	2021 No.	2020 No.
Average number of employees	<u>64</u>	<u>77</u>

#### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>541,157</u>	<u>304,208</u>

The highest paid Director received remuneration of £225,154 (2020 - £112,453).

Key management personnel are deemed to be the Directors of the Company.

#### 9. Interest receivable and similar expenses

	2021 £	2020 £
Other interest receivable	<u>-</u>	<u>6,474</u>

#### 10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	<u>6,848</u>	<u>5,332</u>

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(132,431)
	<u>-</u>	<u>(132,431)</u>
<b>Total current tax</b>	<u>-</u>	<u>(132,431)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	19,899	45,085
<b>Total deferred tax</b>	<u>19,899</u>	<u>45,085</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>19,899</u>	<u>(87,346)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,551,658</u>	<u>2,432,350</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	294,815	462,147
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,170	1,434
Capital allowances for year in excess of depreciation	38,708	61,627
Adjustment in research and development tax credit leading to a decrease in the tax charge	(99,408)	(124,206)
Changes in provisions leading to an increase/(decrease) in the tax charge	18,619	(91,156)
Group relief	(234,005)	(397,192)
<b>Total tax charge for the year</b>	<u>19,899</u>	<u>(87,346)</u>

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**12. Intangible assets**

	<b>Development costs £</b>
<b>Cost</b>	
At 1 January 2021	1,420,164
Additions	754,749
At 31 December 2021	<u>2,174,913</u>
<b>Amortisation</b>	
At 1 January 2021	284,018
Charge for the year on owned assets	365,553
At 31 December 2021	<u>649,571</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>1,525,342</u></u>
At 31 December 2020	<u><u>1,136,146</u></u>

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**13. Tangible fixed assets**

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	155,402	540,500	205,617	901,519
Additions	228,208	-	44,268	272,476
Disposals	(115,948)	-	-	(115,948)
At 31 December 2021	267,662	540,500	249,885	1,058,047
<b>Depreciation</b>				
At 1 January 2021	89,487	516,672	161,905	768,064
Charge for the year on owned assets	59,006	23,828	38,718	121,552
Disposals	(72,763)	-	-	(72,763)
At 31 December 2021	75,730	540,500	200,623	816,853
<b>Net book value</b>				
At 31 December 2021	191,932	-	49,262	241,194
At 31 December 2020	65,915	23,828	43,712	133,455

**14. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	688,092
At 31 December 2021	688,092

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 14. Fixed asset investments (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Air Liaison Limited	England	Ordinary	100%
Belfast Airport Handling Limited	England	Ordinary	100%
East Midlands Airport Handling Limited	England	Ordinary	100%
Groupair (S. A.) Proprietary Limited	South Africa	Ordinary	100%
Heathrow Airport Handling Limited	England	Ordinary	100%
Heavyweight Air Express	Brazil	Ordinary	79.6%
Heavyweight Air Express	Chile	Ordinary	100%
Heavyweight Air Express FZCO	UAE	Ordinary	100%
Heavyweight Air Express FZE	UAE	Ordinary	100%
Heavyweight Air Express Limited	Ireland	Ordinary	100%
Heavyweight Air Express LLC	USA	Ordinary	100%
Procharter DWC LLC	Dubai	Ordinary	60%
Transport Security Associates Limited	England	Ordinary	100%
Heavyweight Air Express Florida	USA	Ordinary	100%
HW Latam	USA	Ordinary	51%
TSA ME FZE	UAE	Ordinary	100%

#### 15. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Other debtors	-	133,951
	<u>          </u>	<u>          </u>
	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	3,039,200	4,429,355
Amounts owed by group undertakings	23,099,696	28,264,216
Other debtors	1,096,155	1,220,349
Prepayments and accrued income	292,075	57,197
	<u>27,527,126</u>	<u>33,971,117</u>

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**15. Debtors (continued)**

Included in other debtors above is an amount of £250,000 (2020: £250,000) 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 £330,887 (2020: £224,167). Of this amount, £Nil (2020: £133,951) is due after one year.

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

**16. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	21,087	750

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

	2021 £	2020 £
Trade creditors	1,729,602	1,579,911
Amounts owed to group undertakings	6,114,921	13,073,308
Other taxation and social security	1,040,350	1,815,311
Obligations under finance lease and hire purchase contracts	58,168	45,968
Other creditors	1,108,224	150,287
Accruals and deferred income	1,834,990	2,551,990
	<u>11,886,255</u>	<u>19,216,775</u>

The Company's hire purchase liabilities are secured against the assets to which they relate. Included in hire purchase liabilities is £23,504 (all of which is due within one year) where the liability is secured against assets in Heathrow Airport Handling Limited, a group company.

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	144,957	81,765

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**HEAVYWEIGHT AIR EXPRESS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2021</b> £	<b>2020</b> £
Within one year	29,964	45,968
Between 1-5 years	24,982	81,765
	<u>54,946</u>	<u>127,733</u>

**20. Deferred taxation**

	<b>2021</b> £
At beginning of year	203,906
Charged to profit or loss	19,899
<b>At end of year</b>	<u>223,805</u>

The provision for deferred taxation is made up as follows:

	<b>2021</b> £	<b>2020</b> £
Accelerated capital allowances	223,805	238,126
Pension surplus	-	(34,220)
	<u>223,805</u>	<u>203,906</u>

**21. Provisions**

	<b>Dilapidations reserve £</b>
At 1 January 2021	437,000
Utilised in year	(345,000)
<b>At 31 December 2021</b>	<u>92,000</u>

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## HEAVYWEIGHT AIR EXPRESS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 22. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
20,000 (2020 - 20,000) Ordinary shares of £1.00 each	20,000	20,000

#### 23. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	589,944	589,944
Later than 1 year and not later than 5 years	699,307	1,044,307
Later than 5 years	488,036	655,363
	<u>1,777,287</u>	<u>2,289,614</u>

#### 24. Financial instruments

All financial instruments are held at amortised cost.

#### 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.