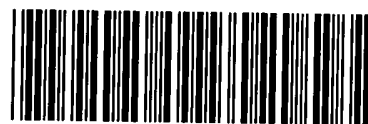


**HAE Global Limited  
And its Subsidiaries**  
**Consolidated Financial Statements**  
**30 June 2016**

THURSDAY



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COMPANIES HOUSE

**HAE Global Limited**  
**Financial Statements**  
**Year ended 30 June 2016**

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## **HAE Global Limited**

### **Officers and Professional Advisers**

#### **The board of directors**

Mr N Karai  
Mr P Kerins  
Mr R Thackeray  
Mr C R White

#### **Registered office**

3 Cygnus Court  
Beverley Road  
East Midlands Airport  
DERBY  
Derbyshire  
DE74 2SA

#### **Auditor**

Keens Shay Keens MK LLP  
Chartered accountant & statutory auditor  
Sovereign Court  
230 Upper Fifth Street  
Central Milton Keynes  
MK9 2HR

#### **Bankers**

Lloyds TSB Bank Plc

#### **Solicitors**

Shakespeares  
Nottingham

**Principal Activities and Results**

The Company acts as a holding company for the HAE Group. The Group undertakes wholesale freight forwarding in the UK, Ireland, USA, South America and the Middle East, the screening and handling of airfreight, aviation security training and road transportation. HAE Group has 24 offices located around the world

The level of business and the year-end financial performance of the Group were significantly down on expectation due to the loss of a significant contract in the USA, changes in our solutions business in the UAE and in light of the current difficult trading conditions. EBITDA (adjusted for the foreign exchange effects of Brexit) was £2,481,122 (2015 £3,239,159).

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.

The Directors do not recommend the payment of a dividend (2015 £nil).

**Business Review and Future Developments**

The Group has not performed as expected due to the changes in the USA the UAE and current market conditions which has led to significant pressure on margins from both airlines and customers. The Group carried out a strategic review of its business in late 2015 and is in the process of implementing a change to its operational model which will result in a significant reduction in overheads. The impact of these changes on the Groups result for the first half of the 2016/2017 financial year has been positive. The Groups strategy continues to be to pursue expansion opportunities in emerging markets.

**Key Performance Indicators**

As this company is the group holding company the directors feel that it is not necessary to use key performance indicators to understand the performance of the business.

**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 by the HAE Group Board at every 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 HAE Group Board under takes 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 Group is confident that it has sufficient headroom in its financing available to fund the business in the medium term.

**Airline risk**

The Group faces a risk that certain airlines may fail due to the current economic climate and that it will not renew certain airline contracts as they fall due. To mitigate these risks the Board ensures that the Group 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 is that of losing key staff and the risk of a serious security breach occurring. To mitigate these risks the Group tries to ensure that all staff are subject to continual training.

## HAE Global Limited

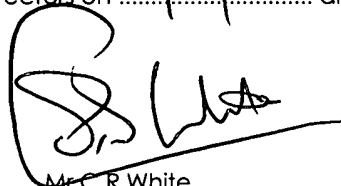
### Strategic Report *(continued)*

Year ended 30 June 2016

This report was approved by the board of directors on 07/02/2017 and signed on behalf of the board by:



Mr N Karai  
Director



Mr C R White  
Director

## **HAE Global Limited**

### **Directors' Report**

**Year ended 30 June 2016**

The directors present their report and the financial statements of the group for the year ended 30 June 2016.

#### **Directors**

The directors who served the company during the year were as follows:

Mr N Karai  
Mr P Kerins  
Mr R Thackeray  
Mr C R White

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Disclosure of information in the strategic report**

A review of business together with details of the principal risks and uncertainties facing the group can be found in the Strategic Report within these financial statements.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 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 group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies 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 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.

## HAE Global Limited

### Directors' Report *(continued)*

Year ended 30 June 2016

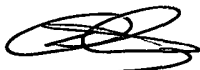
#### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

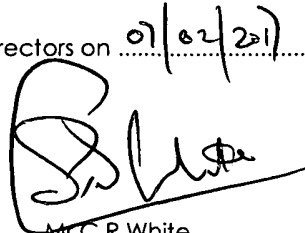
- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 07/02/2017 and signed on behalf of the board by:



Mr N Karai  
Director



Mr C R White  
Director

## **HAE Global Limited**

### **Independent Auditor's Report to the Members of HAE Global Limited**

**Year ended 30 June 2016**

We have audited the financial statements of HAE Global Limited for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion 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.



## HAE Global Limited

### Independent Auditor's Report to the Members of HAE Global Limited *(continued)*

Year ended 30 June 2016

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



M Rayner FCA (Senior Statutory Auditor)

For and on behalf of  
Keens Shay Keens MK LLP  
Chartered accountant & statutory auditor

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

28/3/2017

# HAE Global Limited

## Consolidated Statement of Comprehensive Income

Year ended 30 June 2016

	Note	2016 £	2015 (restated) £
<b>Turnover</b>	<b>4</b>	<b>58,396,532</b>	80,245,565
Cost of sales		<u>(45,763,886)</u>	<u>(66,496,998)</u>
<b>Gross profit</b>		<b>12,632,646</b>	13,748,567
Administrative expenses		<u>(13,816,432)</u>	<u>(13,208,862)</u>
Other operating income	<b>5</b>	<b>59,704</b>	402,495
<b>Operating (loss)/profit</b>	<b>6</b>	<b>(1,124,082)</b>	942,200
Other interest receivable and similar income		<u>24,271</u>	<u>19,069</u>
Interest payable and similar charges	<b>10</b>	<u>(93,896)</u>	<u>(49,479)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(1,193,707)</b>	911,790
Tax on (loss)/profit on ordinary activities	<b>11</b>	<u>(398,033)</u>	<u>(394,387)</u>
<b>(Loss)/profit for the financial year</b>		<b>(1,591,740)</b>	517,403
Revaluation of tangible assets		–	68,000
Foreign currency retranslation		<u>1,559,652</u>	<u>282,009</u>
<b>Other comprehensive income for the year</b>		<b>1,559,652</b>	350,009
<b>Total comprehensive income for the year</b>		<b>34,512</b>	867,412
Loss for the financial year attributable to:			
The owners of the parent company		<u>(1,615,781)</u>	<u>517,403</u>
Minority interests		<u>24,041</u>	<u>–</u>
		<b>(1,591,740)</b>	517,403
Total comprehensive income for the year attributable to:			
The owners of the parent company		<u>(56,129)</u>	<u>867,412</u>
Minority interests		<u>90,641</u>	<u>–</u>
		<b>34,512</b>	867,412

All the activities of the group are from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.

# HAE Global Limited

## Consolidated Statement of Financial Position

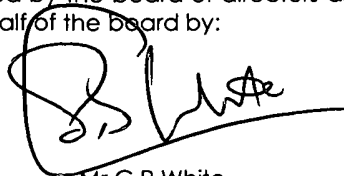
30 June 2016

	Note	2016 £	2015 (restated) £
<b>Fixed assets</b>			
Intangible assets	13	11,799,106	14,055,736
Tangible assets	14	2,653,899	1,915,896
Investments	15	300,365	331,365
		<u>14,753,370</u>	<u>16,302,997</u>
<b>Current assets</b>			
Debtors	16	14,435,536	14,781,067
Cash at bank and in hand	17	2,194,818	2,734,617
		<u>16,630,354</u>	<u>17,515,684</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>9,753,987</u>	<u>12,393,141</u>
<b>Net current assets</b>		<u>6,876,367</u>	<u>5,122,543</u>
<b>Total assets less current liabilities</b>		<u>21,629,737</u>	<u>21,425,540</u>
<b>Creditors: amounts falling due after more than one year</b>	19	<u>6,236,587</u>	<u>5,688,872</u>
<b>Provisions</b>			
Taxation including deferred tax	21	43,551	45,381
<b>Net assets</b>		<u>15,349,599</u>	<u>15,691,287</u>
<b>Capital and reserves</b>			
Called up share capital	24	9,950	9,950
Revaluation reserve	25	68,000	68,000
Other reserves	25	12,798,000	12,798,000
Profit and loss account	25	2,383,008	2,815,337
<b>Equity attributable to the owners of the parent company</b>		<u>15,258,958</u>	<u>15,691,287</u>
<b>Minority interests</b>		<u>90,641</u>	<u>-</u>
		<u>15,349,599</u>	<u>15,691,287</u>

These financial statements were approved by the board of directors and authorised for issue on 31/07/2017, and are signed on behalf of the board by:



Mr N Karai  
Director



Mr C R White  
Director

Company registration number: 08135817

The notes on pages 15 to 27 form part of these financial statements.

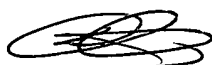
# HAE Global Limited

## Company Statement of Financial Position

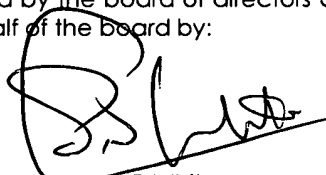
30 June 2016

	Note	2016 £	2015 (restated) £
<b>Fixed assets</b>			
Investments	15	27,031,000	27,031,000
<b>Current assets</b>			
Debtors	16	5,294	3,422
Cash at bank and in hand	17	9,950	9,950
		<u>15,244</u>	<u>13,372</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>7,743,030</u>	<u>5,400,328</u>
<b>Net current liabilities</b>		<u>7,727,786</u>	<u>5,386,956</u>
<b>Total assets less current liabilities</b>		<u>19,303,214</u>	<u>21,644,044</u>
<b>Creditors: amounts falling due after more than one year</b>	19	<u>2,697,019</u>	<u>5,129,396</u>
<b>Net assets</b>		<u>16,606,195</u>	<u>16,514,648</u>
<b>Capital and reserves</b>			
Called up share capital	24	9,950	9,950
Other reserves	25	12,798,000	12,798,000
Profit and loss account	25	3,798,245	3,706,698
<b>Shareholders funds</b>		<u>16,606,195</u>	<u>16,514,648</u>

These financial statements were approved by the board of directors and authorised for issue on 07/07/2016, and are signed on behalf of the board by:



Mr N Karai  
Director



Mr C R White  
Director

Company registration number: 08135817

The notes on pages 15 to 27 form part of these financial statements.

# HAE Global Limited

## Consolidated Statement of Changes in Equity

Year ended 30 June 2016

		Called up share capital £	Revaluat- ion reserve £	Other reserves £	Profit and loss account £	Equity attribute- able to the owners of the parent company £	Minority Interests £	Total £
<b>At 1 July 2014 (as previously reported)</b>		9,950	-	12,798,000	2,705,625	15,513,575	-	15,513,575
Prior period adjustments	23	-	-	-	(689,700)	(689,700)	-	(689,700)
<b>At 1 July 2014 (restated)</b>		9,950	-	12,798,000	2,015,925	14,823,875	-	14,823,875
Profit for the year					517,403	517,403	-	517,403
Other comprehensive income for the year:								
Revaluation of tangible assets	14	-	68,000	-	-	68,000	-	68,000
Foreign currency retranslation		-	-	-	282,009	282,009	-	282,009
<b>Total comprehensive income for the year</b>		-	68,000	-	799,412	867,412	-	867,412
<b>At 30 June 2015 (as previously reported)</b>		9,950	68,000	12,798,000	3,505,037	16,380,987	-	16,380,987
Prior period adjustments	23	-	-	-	(1,065,900)	(1,065,900)	-	(1,065,900)
<b>At 30 June 2015 (restated)</b>		9,950	68,000	12,798,000	2,439,137	15,315,087	-	15,315,087

The consolidated statement of changes in equity  
continues on the following page.

The notes on pages 15 to 27 form part of these financial statements.

# HAE Global Limited

## Consolidated Statement of Changes in Equity *(continued)*

Year ended 30 June 2016

	Called up share capital	Revaluatio n reserve	Other reserves	Profit and loss account	Equity attribute- able to the owners of the parent company	Minority interests	Total
Note	£	£	£	£	£	£	£
Loss for the year				(1,615,781)	(1,615,781)	90,641	(1,525,140)
Other comprehensive income for the year:							
Foreign currency retranslation	-	-	-	1,559,652	1,559,652	-	1,559,652
<b>Total comprehensive income for the year</b>	-	-	-	(56,129)	(56,129)	90,641	34,512
<b>At 30 June 2016</b>	<b>9,950</b>	<b>68,000</b>	<b>12,798,000</b>	<b>2,383,008</b>	<b>15,258,958</b>	<b>90,641</b>	<b>15,349,599</b>

The notes on pages 15 to 27 form part of these financial statements.

## HAE Global Limited

### Company Statement of Changes in Equity

Year ended 30 June 2016

	Called up share capital £	Other reserves £	Profit and loss account £	Total £
<b>At 1 July 2014</b>	<b>9,950</b>	<b>12,798,000</b>	<b>3,854,140</b>	<b>16,662,090</b>
Profit for the year			(147,442)	(147,442)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(147,442)</b>	<b>(147,442)</b>
<b>At 30 June 2015</b>	<b>9,950</b>	<b>12,798,000</b>	<b>3,706,698</b>	<b>16,514,648</b>
Loss for the year			91,547	91,547
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>91,547</b>	<b>91,547</b>
<b>At 30 June 2016</b>	<b>9,950</b>	<b>12,798,000</b>	<b>3,798,245</b>	<b>16,606,195</b>

The notes on pages 15 to 27 form part of these financial statements.

## HAE Global Limited

### Consolidated Statement of Cash Flows

Year ended 30 June 2016

	Note	2016 £	2015 (restated) £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the financial year		(1,591,740)	517,403
<i>Adjustments for:</i>			
Depreciation of tangible assets		303,239	275,379
Amortisation of intangible assets		2,440,915	2,021,580
Other interest receivable and similar income		(24,271)	(19,069)
Interest payable and similar charges		93,896	49,479
Gains on disposal of tangible assets		(7,568)	–
Tax on (loss)/profit on ordinary activities		398,033	394,387
Accrued expenses/(income)		525,929	(670,364)
<i>Changes in:</i>			
Trade and other debtors		333,363	2,240,114
Trade and other creditors		(5,202,503)	(2,740,640)
Cash generated from operations		(2,730,707)	2,068,269
Interest paid		(93,896)	(49,479)
Interest received		36,439	12,848
Tax paid		(355,307)	(482,493)
Net cash (used in)/from operating activities		(3,143,471)	1,549,145
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(1,102,491)	(440,677)
Proceeds from sale of tangible assets		68,817	(1)
Purchase of intangible assets		(560,485)	–
Purchases of other investments		–	(261,089)
Net cash used in investing activities		(1,594,159)	(701,767)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,404,363	(2,286,594)
Proceeds from loans from participating interests		33,549	(520,018)
Net cash from/(used in) financing activities		4,437,912	(2,806,612)
<b>Net decrease in cash and cash equivalents</b>		(299,718)	(1,959,234)
<b>Cash and cash equivalents at beginning of year</b>		1,143,738	3,102,972
<b>Cash and cash equivalents at end of year</b>	17	844,020	1,143,738

The notes on pages 15 to 27 form part of these financial statements.



## **HAE Global Limited**

### **Notes to the Financial Statements**

**Year ended 30 June 2016**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 3 Cygnus Court, Beverley Road, East Midlands Airport, DERBY, Derbyshire, DE74 2SA.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) Disclosures in respect of share-based payments have not been presented.

##### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss accounts after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. Accounting policies (continued)**

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**3. Accounting policies (continued)****Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 10% straight line
Website	- 25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Leasehold property	- 50% straight line
Plant and machinery	- 50% straight line
Fixtures and fittings	- 50% straight line
Motor vehicles	- 50% straight line
Equipment	- 50% straight line

**3. Accounting policies (continued)**

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Investments in associates**

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# HAE Global Limited

## Notes to the Financial Statements (continued)

Year ended 30 June 2016

### 3. Accounting policies (continued)

#### Defined contribution plans (continued)

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2016	2015 (restated)
	£	£
Sale of goods	160,616	901,283
Rendering of services	58,235,916	79,344,282
	<u>58,396,532</u>	<u>80,245,565</u>

Turnover is not disclosed by geographical area as, in the opinion of the directors, it would be seriously prejudicial to the interests of the group.

### 5. Other operating income

	2016	2015 (restated)
	£	£
Rental income	7,674	6,994
Other operating income	52,030	395,501
	<u>59,704</u>	<u>402,495</u>

### 6. Operating profit

Operating profit or loss is stated after charging:

	2016	2015 (restated)
	£	£
Amortisation of intangible assets	2,440,915	2,021,580
Depreciation of tangible assets	303,239	275,379
Gains on disposal of tangible assets	(7,568)	–
Impairment of trade debtors	4,788	(55,147)
Foreign exchange differences	861,050	(29,641)
	<u>3,599,424</u>	<u>2,252,251</u>

### 7. Auditor's remuneration

	2016	2015 (restated)
	£	£
Fees payable for the audit of the financial statements	<u>91,905</u>	<u>81,056</u>

# HAE Global Limited

## Notes to the Financial Statements (continued)

Year ended 30 June 2016

### 8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2016 No.	2015 No.
Production staff	51	56
Administrative staff	131	139
Management staff	8	8
	<u>190</u>	<u>203</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 (restated) £
Wages and salaries	6,494,550	6,761,637
Social security costs	471,289	523,277
Other pension costs	217,820	289,132
	<u>7,183,659</u>	<u>7,574,046</u>

### 9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 (restated) £
Remuneration	978,095	1,103,991
Company contributions to defined contribution pension plans	–	847
	<u>978,095</u>	<u>1,104,838</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016 No.	2015 (restated) No.
Defined contribution plans	<u>–</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2016 £	2015 (restated) £
Aggregate remuneration	<u>128,352</u>	<u>144,675</u>

# HAE Global Limited

## Notes to the Financial Statements (continued)

Year ended 30 June 2016

### 10. Interest payable and similar charges

	2016	2015 (restated)
	£	£
Interest on banks loans and overdrafts	92,490	30,810
Other interest payable and similar charges	1,406	18,669
	<u>93,896</u>	<u>49,479</u>

### 11. Tax on (loss)/profit on ordinary activities

#### Major components of tax expense

	2016	2015 (restated)
	£	£
<b>Current tax:</b>		
UK current tax expense	401,025	405,865
Adjustments in respect of prior periods	559	–
Total current tax	<u>401,584</u>	<u>405,865</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(3,551)	(11,478)
<b>Tax on (loss)/profit on ordinary activities</b>	<u>398,033</u>	<u>394,387</u>

#### Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 120% (2015: 20%).

	2016	2015 (restated)
	£	£
(Loss)/profit on ordinary activities before taxation	(1,193,707)	911,790
(Loss)/profit on ordinary activities by rate of tax	(238,741)	182,358
Effect of expenses not deductible for tax purposes	526,352	39,161
Effect of capital allowances and depreciation	43,206	(50,538)
Effect of different UK tax rates on some earnings	–	50,453
Utilisation of tax losses	(72,956)	184,431
Unused tax losses	81,221	–
Over/under provision in previous years	559	–
Deferred tax - origination and reversal of timing differences	(3,551)	(11,478)
Tax on (loss)/profit on ordinary activities	<u>336,090</u>	<u>394,387</u>

### 12. Profit for the year of the parent company

The profit for the financial year of the parent company was £91,547 (2015: £147,442 loss).

## HAE Global Limited

### Notes to the Financial Statements (continued)

Year ended 30 June 2016

#### 13. Intangible assets

Group	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 July 2015 (as restated)	20,704,322	74,654	20,778,976
Additions	560,485	–	560,485
<b>At 30 June 2016</b>	<b>21,264,807</b>	<b>74,654</b>	<b>21,339,461</b>
<b>Amortisation</b>			
At 1 July 2015	7,074,215	25,225	7,099,440
Charge for the year	2,421,948	18,967	2,440,915
<b>At 30 June 2016</b>	<b>9,496,163</b>	<b>44,192</b>	<b>9,540,355</b>
<b>Carrying amount</b>			
<b>At 30 June 2016</b>	<b>11,768,644</b>	<b>30,462</b>	<b>11,799,106</b>
At 30 June 2015	13,630,107	49,429	13,679,536

The company has no intangible assets.

#### 14. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>						
At 1 Jul 2015 (as restated)	1,220,330	864,142	93,106	103,885	30,417	2,311,880
Additions	905,273	50,535	69,428	62,971	14,284	1,102,491
Disposals	–	–	(16,989)	(70,106)	(889)	(87,984)
<b>At 30 Jun 2016</b>	<b>2,125,603</b>	<b>914,677</b>	<b>145,545</b>	<b>96,750</b>	<b>43,812</b>	<b>3,326,387</b>
<b>Depreciation</b>						
At 1 Jul 2015	55,282	280,201	15,690	13,132	31,679	395,984
Charge for the year	5,661	188,156	85,526	17,150	6,746	303,239
Disposals	–	–	(12,731)	(14,004)	–	(26,735)
<b>At 30 Jun 2016</b>	<b>60,943</b>	<b>468,357</b>	<b>88,485</b>	<b>16,278</b>	<b>38,425</b>	<b>672,488</b>
<b>Carrying amount</b>						
<b>At 30 Jun 2016</b>	<b>2,064,660</b>	<b>446,320</b>	<b>57,060</b>	<b>80,472</b>	<b>5,387</b>	<b>2,653,899</b>
At 30 Jun 2015	1,165,048	583,941	77,416	90,753	(1,262)	1,915,896

The company has no tangible assets.

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



# HAE Global Limited

## Notes to the Financial Statements (continued)

Year ended 30 June 2016

### 14. Tangible assets (continued)

#### Tangible assets held at valuation

The property at The Old Chapel, Belton was valued at £313,000 on 30 June 2015, an average of three independent valuations by local firms. The original cost of the property was £200,000.

#### Capital commitments

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Contracted for but not provided for in the financial statements	<u>137,133</u>	<u>—</u>	<u>—</u>	<u>—</u>

### 15. Investments

#### Group

Other  
investments  
other than  
loans  
£

#### Cost

At 1 July 2015 as restated  
Transfers

331,365  
(31,000)

#### At 30 June 2016

300,365

#### Impairment

At 1 Jul 2015 as restated and 30 Jun 2016

—

#### Carrying amount

At 30 June 2016

300,365

At 30 June 2015

331,365

#### Company

Shares in  
group  
undertakings  
£

#### Cost

At 1 July 2015 as restated

27,031,000

#### At 30 June 2016

27,031,000

#### Impairment

At 1 Jul 2015 as restated and 30 Jun 2016

—

#### Carrying amount

At 30 June 2016

27,031,000

At 30 June 2015

27,031,000

## HAE Global Limited

### Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

#### 15. Investments *(continued)*

The company is the ultimate parent of the group of companies headed by its subsidiary, HAE Group Limited. The results of the subsidiary entity are listed below:

	2016	2015
	£	£
Aggregate capital and reserves	719,406	735,350
Profit and (loss) for the year	(15,944)	(86,105)

The group's sub-subsidiaries, controlled through the 100% shareholding in HAE Group Limited are as follows:

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Air Liaison Limited	England	Ordinary	100%	Freight sales and marketing
Air Liaison LLC	USA	Ordinary	100%	Freight sales and marketing
Asia Trans Logistics PTE	Singapore	Ordinary	100%	Dormant
Belfast Airport Handling Limited	England	Ordinary	100%	Aircraft ground handling
DCA Cargo Limited	England	Ordinary	100%	Dormant
Duncan International Trading Limited	England	Ordinary	100%	Freight sales and marketing
East Midlands Airport Handling Limited	England	Ordinary	100%	Aircraft ground handling
Group Air (S.A.) Proprietary Limited	South Africa	Ordinary	60%	Logistics and freight forwarding
HAE Group Limited	England	Ordinary	100%	Holding company
Heavyweight Air Express FZCO	UAE	Ordinary	100%	Freight sales and marketing
Heavyweight Air Express FZE	UAE	Ordinary	100%	Freight sales and marketing
Heavyweight Air Express Limited	England	Ordinary	100%	Freight placement services in the aviation industry
Heavyweight Air Express Limited	Ireland	Ordinary	100%	Freight sales and marketing
Heavyweight Air Express (Asia) Limited	England	Ordinary	100%	Dormant
Heavyweight Air Express LLC	USA	Ordinary	100%	Freight sales and marketing
Heavyweight Air Express	Brazil	Ordinary	100%	Freight sales and marketing
Heavyweight Air Express	Chile	Ordinary	100%	Freight sales and marketing
Ikon.com Limited	England	Ordinary	100%	Dormant
Napier Oban Wolfe Limited	England	Ordinary	50%	Road freight transport
NOW Express Limited	England	Ordinary	50%	Dormant
Pro Charter DW LLC	Dubai	Ordinary	60%	Aircraft chartering
Transport Security Associates Limited	England	Ordinary	100%	Transport security consultancy
TSA Online Limited	England	Ordinary	100%	Dormant
TSA Training Limited	England	Ordinary	100%	Dormant

# HAE Global Limited

## Notes to the Financial Statements (continued)

Year ended 30 June 2016

### 16. Debtors

	Group		Company	
	2016	2015 (restated)	2016	2015 (restated)
	£	£	£	£
Trade debtors	8,575,863	9,625,486	-	-
Amounts owed by undertakings in which the company has a participating interest	90,216	117,722	-	-
Prepayments and accrued income	779,921	1,531,781	-	-
Corporation tax repayable	193,124	249,704	-	-
Directors loan account	314,378	352,961	-	-
Loans from EBT	815,000	815,000	-	-
Other debtors	3,667,034	2,088,413	5,294	3,422
	<u>14,435,536</u>	<u>14,781,067</u>	<u>5,294</u>	<u>3,422</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2016	2015 (restated)	2016	2015 (restated)
	£	£	£	£
Other debtors	-	100,000	-	-
	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>

### 17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015 (restated)
	£	£
Cash at bank and in hand	2,194,818	2,734,617
Bank overdrafts	(1,350,798)	(1,590,879)
	<u>844,020</u>	<u>1,143,738</u>

### 18. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015 (restated)	2016	2015 (restated)
	£	£	£	£
Bank loans and overdrafts	1,350,798	1,799,212	-	208,333
Trade creditors	4,800,883	7,376,883	-	660
Amounts owed to group undertakings	-	-	6,869,180	4,329,685
Amounts owed to undertakings in which the company has a participating interest	65,903	32,354	-	-
Accruals and deferred income	1,720,317	1,194,388	11,850	11,650
Corporation tax	-	-	12,000	-
Social security and other taxes	567,206	671,914	-	-
Other creditors	1,248,880	1,318,390	850,000	850,000
	<u>9,753,987</u>	<u>12,393,141</u>	<u>7,743,030</u>	<u>5,400,328</u>

## HAE Global Limited

### Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

#### 19. Creditors: amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>(restated)</b>	<b>£</b>	<b>(restated)</b>
Bank loans and overdrafts	3,000,000	–	–	–
Other creditors	3,236,587	5,688,872	2,697,019	5,129,396
	<u>6,236,587</u>	<u>5,688,872</u>	<u>2,697,019</u>	<u>5,129,396</u>

#### 20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>(restated)</b>	<b>£</b>	<b>(restated)</b>
Included in provisions (note 21)	43,551	45,381	–	–

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>(restated)</b>	<b>£</b>	<b>(restated)</b>
Accelerated capital allowances	43,551	45,381	–	–

#### 21. Provisions

<b>Group</b>	<b>Deferred tax</b>
	<b>(note 20)</b>
	<b>£</b>
At 1 July 2015 (as restated)	45,381
Additions	8,002
Charge against provision	(9,832)
At 30 June 2016	<u>43,551</u>

The company does not have any provisions.

#### 22. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £204,625 (2015: £276,290).

#### 23. Prior period errors

A prior year adjustment has been made in order to correct for errors in the valuation of goodwill on the acquisition of the HAE Group of companies in August 2012 and the resulting amortisation.

## HAE Global Limited

### Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

#### 24. Called up share capital

Issued, called up and fully paid

	2016		2015 <i>(restated)</i>	
	No.	£	No.	£
A Ordinary shares of £1 each	3,980	3,980	3,980	3,980
B Ordinary shares of £1 each	5,970	5,970	5,970	5,970
	<u>9,950</u>	<u>9,950</u>	<u>9,950</u>	<u>9,950</u>

#### 25. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Other reserves - This reserve represents non-distributable reserves.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015 <i>(restated)</i>	2016	2015 <i>(restated)</i>
	£	£	£	£
Not later than 1 year	77,808	72,500	1,560	—
Later than 1 year and not later than 5 years	428,572	8,820	—	—
	<u>506,380</u>	<u>81,320</u>	<u>1,560</u>	<u>—</u>

#### 27. Directors' advances, credits and guarantees

Included in Other debtors is amounts of £529,358 (2015: £325,691) owed by the directors.

	2016 £
Advances	102,990
Credits	124,847
Balance	529,358

#### 28. Related party transactions

##### Group and Company

There was no controlling party during the period under review.

The company has taken advantage of the exemption available under FRS102 not to disclose related party transactions with fellow group entities.