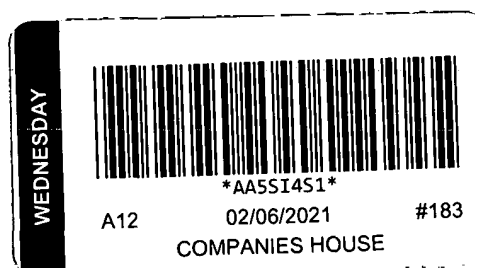


REGISTERED NUMBER: 10851014 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
PRIORITY FREIGHT GROUP HOLDINGS LIMITED**



PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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PRIORITY FREIGHT GROUP HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

I S Chapman
G S Williams
N T Williams
P V Williams

REGISTERED OFFICE:

6-7 Menzies Road
DOVER
Kent
CT16 2HQ

REGISTERED NUMBER:

10851014 (England and Wales)

AUDITORS:

RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

REVIEW OF BUSINESS

The group's ongoing business strategy of continued investment in its team, systems and customer service, places both Priority Freight Limited and the wider group in a strong position to develop its client base, the sectors and geographies that it supports and operates in. This investment has held the group in good stead during a challenging year, especially during the ongoing COVID-19 pandemic and latterly the exit of the United Kingdom from the European Customs Union

Gross profit and gross profit % are the main KPIs for the business

	2020	2019	Change £	Change %
Revenue total	£89,325,685	£61,088,703	£28,236,982	46.2%
Revenue - domestic	£25,523,998	£20,272,472	£5,251,656	25.9%
Revenue - export	£63,801,687	£40,816,231	£22,985,456	56.3%
Gross profit	£15,723,766	£10,954,907	£4,768,859	43.5%
Gross profit margin	17.6%	17.9%		

The group's net assets increased in the year to £13,498,323 (2019 - £8,836,657). The profit after tax in the year was £4,921,666 (2019 - £145,277).

The group has performed very well, increasing sales by 46.2% against the prior year. The sales performance over recent years has led to Priority Freight being listed several times in the Sunday Times International Track as well as achieving the Queen's Award for Enterprise: International Trade, of which we are immensely proud.

The group has demonstrated its resilience during a challenging and relatively volatile year. Having traded comfortably at the beginning of the year, it was evident that a period of restriction would be imposed which boosted activity to ensure goods were in situ before the lockdown. April and May were relatively quiet due to the restriction of movement but shipments of PPE by air helped during April and May. The disruption to normal supply chains caused by the restriction of movement resulted in a greater need for our services in the latter half of the year. Coupled with the uncertainty of the Brexit deal, we saw a significant increase in sales during the last four months of the year.

We have seen a greater requirement for movements by air during 2020. The new Frankfurt office was opened shortly before the pandemic impacted European movements and was heavily involved in shipments of PPE. The investment in setting up the office has been a great success.

In the lead-up to Brexit, the group invested substantially in training existing employees in customs clearance requirements, and recruited a team of experienced customs clearance agents, to ensure we could provide a complete service for the seamless transport of goods across the UK border. Having achieved full AEO status across the group and obtaining approval of 'Clearance on Wheels' status for our truck park and warehouse facility in Dover and warehouse in Coventry, Priority Freight is able to clear goods much more quickly for clients.

Due to the resilience of the business, and the commitment by the staff during challenging times, Priority Freight has been able to achieve an increase in sales of 46.2% compared with 2019. The strong balance sheet, the commitment of staff, robust IT systems and the faith of our clients has held us in good stead. The growth in sales during 2020, and continuing into 2021, is due to winning new customers and increasing trade with existing clients as a result of their confidence in Priority Freight delivering security to their supply chains above our competitors.

Uncertainty has continued into 2021, leading to good volumes of traffic. Our expedited transport services and clearance facilities have been in high demand. Whilst we do expect supply chains to settle over the coming months, the reliance on a seamless service, including customs clearance is here to stay in the UK.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

COVID-19 response

When it was apparent that the spread of COVID-19 would have an impact on our business, our clients and staff, we took immediate action to meet the challenges. Fortunately, having already invested in secure virtual networks and supporting technologies, it allowed for most staff to work from home. This impacted our offices at differing times depending on how the virus spread across Europe. As restrictions to movement relaxed, we were able to return some staff to offices. To reduce our risk to COVID-19 we implemented new processes across the business, including weekly testing, daily monitoring of body temperatures, enforcement of mask-wearing, as well as the promotion of regular hand washing, etc.

Our staff provided exemplary service and achieved exceptional results during some extraordinary times. The board of directors would like to thank everyone for pulling together during the past year and persevering through the storm, ensuring we are well placed for the months and years ahead.

PRINCIPAL RISKS AND UNCERTAINTIES

In addition to Brexit and COVID-19, which are specific risks considered separately above and below, the group has exposure to three main areas of risk - foreign exchange exposure, liquidity risk and customer credit exposure. The group has established a risk and financial management framework whose primary objective is to mitigate the group's exposure to risk in order to protect the group from events that may hinder its performance.

Foreign exchange exposure

The group is exposed to currency exchange rate risk due to a significant proportion of its debtors and operating expenses being denominated in non-sterling currencies, principally the Euro. The net exposure of each currency is monitored and managed by the use of currency loans or overdrafts and sales ledger finance facilities. Exposure to currency risk for large orders is eliminated through forward purchasing of currency where appropriate.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The group's objective in managing liquidity risk is to ensure that this does not arise. Having assessed future cash flow requirements, the group expects to be able to meet its financial obligation through the cash flows that are generated from its operating activities.

Customer credit exposure

The group regularly offers credit terms to its customers which allow for payment of the debt after delivery of the goods or services. The group is at risk to the extent that a customer may be unable to pay the debt with those terms. This risk is mitigated by the strong ongoing customer relationships and by only granting credit to customers who are able to demonstrate an appropriate payment history and satisfy creditworthiness procedure.

SECTION 172(1) STATEMENT

Section 172 of the Companies Act requires directors to act in a way that they consider would be most likely to promote the success of the group. In doing so, directors must take into consideration the interests of various stakeholders of the group (including employees, customers, suppliers, shareholders and others), the impact of the group's operations on the community and the environment and take a long-term view of the likely consequences of decisions they make as well as maintaining a reputation for high standards of business conduct.

The board has complied with these requirements. The directors have a constructive dialogue with the various stakeholders of the business either directly or through our management structure. We consider our stakeholders to be employees, customers, suppliers (including subcontractors), shareholders and others and we consider the long-term consequences of decisions made both on the group as well as on the community and the environment.

We operate policies that ensure we focus on maintaining a reputation of high standards of business, whilst our regular communication with employees as well as our health and safety focus should provide long-term benefits for all our stakeholders. These policies include, but are not limited to carrying out monthly board meetings which have clear agendas and a consistent approach to the recording of minutes, including the actions required of the Board members. Discussion topics include a regular review of the strategy for the Group.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

SECTION 172(1) STATEMENT (CONTINUED)

The Board recognises its corporate responsibility, including business ethics, antibribery and corruption, antislavery, environmental management and use of resources through the use of sustainable solution, recycling and energy management. Documented policies are regularly reviewed and communicated across the Group. Further, the health and safety of staff, clients, suppliers and others is of paramount importance and never more so than over recent months. The Health and Safety Committee too meets on a regular basis

It is also right to give to the communities, and support those who provide great services to those less fortunate. In the past year the Group has supported many local charities including the donation of 180,000 IIR medical face masks, costing over £100,000 to assist in their fight against the COVID-19 pandemic.

BREXIT

The directors continue to monitor developments arising from the Brexit process on our clients, suppliers and the business and are of the opinion that the business is able to eliminate any threats and realise opportunities that result.

FUTURE DEVELOPMENTS

The Group has grown organically over the past year and further organic growth is expected during 2021, not least due to the ability to provide a wide suite of services.

We organised and used an air bridge between the EU and UK to support stress in customer supply chains. This resulted in projects to consolidate freight from numerous suppliers in the EU and air freight to the UK avoiding customs queues.

We view 2021 optimistically having addressed challenges in 2020 and coming out stronger than before. Priority Freight has a culture of finding the right solution, first and foremost for the client, but this tenacity is also in the DNA of the Group.

ON BEHALF OF THE BOARD:



.....
N T Williams - Director

Date: 28 MAY 2021.....

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

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

PRINCIPAL ACTIVITY

The principal activity of the group is the provision of intelligent time-critical freight management, supply chain solutions, freight distribution services, customs clearance and truck parking facilities.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2020 was £260,000 (2019 - £41,666).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

I S Chapman
G S Williams
N T Williams
P V Williams

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

The company is a holding company and has no disclosures to make in respect of these requirements. All of the company's subsidiaries are either small or medium sized companies so are exempt from disclosures.

DISCLOSURE IN THE STRATEGIC REPORT

The Group's business activities, financial risk management objectives, business relationship disclosures and future developments are described within the Strategic Report under Section 414C of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

AUDITORS

The auditors, RSM UK Audit LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
N T Williams - Director

Date: 28 MAY 2021.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRIORITY FREIGHT GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of Priority Freight Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company affairs as at 31 December 2020 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group's and the parent 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRIORITY FREIGHT GROUP HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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 a Report of the Auditors 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit. In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group operates in and how the group is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completing financial statement disclosure checklists and reviewing advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PRIORITY FREIGHT GROUP HOLDINGS LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

RSM UK Audit LLP

Richard Coates (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 28 May 2021

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

	Notes	2020 £	2019 £
TURNOVER	3	89,325,685	61,088,703
Cost of sales		<u>73,601,919</u>	<u>50,133,796</u>
GROSS PROFIT		15,723,766	10,954,907
Administrative expenses		<u>10,217,574</u>	<u>10,352,045</u>
		5,506,192	602,862
Other operating income		<u>757,879</u>	<u>-</u>
OPERATING PROFIT	5	6,264,071	602,862
Exceptional item	6	<u>135,947</u>	<u>80,881</u>
		6,128,124	521,981
Interest receivable and similar income		<u>15,385</u>	<u>24,268</u>
		6,143,509	546,249
Interest payable and similar expenses	7	<u>46,554</u>	<u>78,394</u>
PROFIT BEFORE TAXATION		6,096,955	467,855
Tax on profit	8	<u>1,175,289</u>	<u>322,578</u>
PROFIT FOR THE FINANCIAL YEAR		4,921,666	145,277
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>4,921,666</u></u>	<u><u>145,277</u></u>
Profit attributable to:			
Owners of the parent		4,881,003	231,579
Non-controlling interests		<u>40,663</u>	<u>(86,302)</u>
		<u><u>4,921,666</u></u>	<u><u>145,277</u></u>
Total comprehensive income attributable to:			
Owners of the parent		4,881,003	231,579
Non-controlling interests		<u>40,663</u>	<u>(86,302)</u>
		<u><u>4,921,666</u></u>	<u><u>145,277</u></u>

The notes form part of these financial statements

PRIORITY FREIGHT GROUP HOLDINGS LIMITED (REGISTERED NUMBER: 10851014)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	(36,915)	(50,529)
Tangible assets	13	3,174,911	3,149,561
Investments	14	-	-
		<u>3,137,996</u>	<u>3,099,032</u>
CURRENT ASSETS			
Stocks	15	11,333	2,942
Debtors	16	43,261,461	16,703,343
Cash at bank		<u>5,517,618</u>	<u>1,701,923</u>
		48,790,412	18,408,208
CREDITORS			
Amounts falling due within one year	17	<u>38,344,279</u>	<u>12,608,766</u>
NET CURRENT ASSETS		<u>10,446,133</u>	<u>5,799,442</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,584,129	8,898,474
PROVISIONS FOR LIABILITIES	20	<u>85,806</u>	<u>61,817</u>
NET ASSETS		<u>13,498,323</u>	<u>8,836,657</u>
CAPITAL AND RESERVES			
Called up share capital	21	1,000	1,000
Merger reserve	22	41,980	41,980
Retained earnings	22	<u>12,590,454</u>	<u>7,969,451</u>
SHAREHOLDERS' FUNDS		12,633,434	8,012,431
NON-CONTROLLING INTERESTS		<u>864,889</u>	<u>824,226</u>
TOTAL EQUITY		<u>13,498,323</u>	<u>8,836,657</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 MAY 2021 and were signed on its behalf by:



.....
N T Williams - Director

The notes form part of these financial statements

PRIORITY FREIGHT GROUP HOLDINGS LIMITED (REGISTERED NUMBER: 10851014)

COMPANY BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	-	-
Investments	14	<u>1,000</u>	<u>1,000</u>
		1,000	1,000
CURRENT ASSETS			
Debtors	16	1,921,136	47,996
Cash at bank		<u>1,281</u>	<u>489</u>
		1,922,417	48,485
CREDITORS			
Amounts falling due within one year	17	<u>1,884,684</u>	<u>43,450</u>
NET CURRENT ASSETS		<u>37,733</u>	<u>5,035</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,733</u>	<u>6,035</u>
CAPITAL AND RESERVES			
Called up share capital	21	1,000	1,000
Retained earnings		<u>37,733</u>	<u>5,035</u>
SHAREHOLDERS' FUNDS		<u>38,733</u>	<u>6,035</u>
Company's profit for the financial year		<u>292,698</u>	<u>80,972</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 MAY 2021 and were signed on its behalf by:



N T Williams - Director

The notes form part of these financial statements

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Retained earnings £	Merger reserve £
Balance at 1 January 2019	1,000	7,779,538	41,980
Changes in equity			
Dividends	-	(41,666)	-
Total comprehensive income	-	231,579	-
Balance at 31 December 2019	<u>1,000</u>	<u>7,969,451</u>	<u>41,980</u>
Changes in equity			
Dividends	-	(260,000)	-
Total comprehensive income	-	4,881,003	-
Balance at 31 December 2020	<u>1,000</u>	<u>12,590,454</u>	<u>41,980</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2019	7,822,518	910,528	8,733,046
Changes in equity			
Dividends	(41,666)	-	(41,666)
Total comprehensive income	231,579	(86,302)	145,277
Balance at 31 December 2019	<u>8,012,431</u>	<u>824,226</u>	<u>8,836,657</u>
Changes in equity			
Dividends	(260,000)	-	(260,000)
Total comprehensive income	4,881,003	40,663	4,921,666
Balance at 31 December 2020	<u>12,633,434</u>	<u>864,889</u>	<u>13,498,323</u>

The notes form part of these financial statements

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1,000	(34,271)	(33,271)
Changes in equity			
Dividends	-	(41,666)	(41,666)
Total comprehensive income	-	80,972	80,972
Balance at 31 December 2019	<u>1,000</u>	<u>5,035</u>	<u>6,035</u>
Changes in equity			
Dividends	-	(260,000)	(260,000)
Total comprehensive income	-	292,698	292,698
Balance at 31 December 2020	<u>1,000</u>	<u>37,733</u>	<u>38,733</u>

The notes form part of these financial statements

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

1. STATUTORY INFORMATION

Priority Freight Group Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The directors of Tawin Holdings Limited, the ultimate parent company, have prepared detailed cash flow forecasts for Tawin Holdings Limited and its subsidiaries ("the group") covering the period to 31 December 2022. These forecasts, which incorporate the directors' best estimate of the future impact of COVID-19 and the measures used to combat the outbreak, show that the group will have cash resources to enable it to pay its debts as they fall due for at least that period.

Since the year end the group has continued to trade profitably and generate cash that has been retained within the group to ensure that the group's financial position remains strong. In addition, the group has financing facilities available, in the form of invoice discounting, that can be drawn down further if needed.

Accordingly, the directors of the company have, after careful consideration, concluded that it is appropriate to prepare these financial statements on the going concern basis as the company and the group will be able to pay their debts as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d).

Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In respect of group reorganisations, the merger method of accounting is used. Amounts relating to the financial year are shown as if the undertaking had always been combined and included in the consolidation.

Significant judgements and estimates

The directors do not consider that there are any areas of significant judgements or estimation uncertainty within these financial statements.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is recognised at the point of delivery.

Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable intangible assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its expected useful economic life.

Other 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Goodwill - 10 years

Trademarks - 10 years

Trademarks are not amortised due to immateriality.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Freehold property	- 5% on cost (land is not depreciated)
Short leasehold	- 10% on cost
Plant and machinery	- 20% - 33% on cost
Fixtures and fittings	- 20% - 33% on cost
Motor vehicles	- 33% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

2. ACCOUNTING POLICIES - continued

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs is recognised in income in the period in which it becomes receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Financial instruments

The group 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/from related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Debtors

Short term debtors are measured at transaction price. These are subsequently carried at amortised cost, being the transaction price less any amounts settled and any impairment losses. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Invoice discounting

The group has an invoice discounting agreement with Barclays Bank Plc covering the majority of its trade debtors with full recourse. On the basis that the benefits and risks attaching to the debts remain with the group, a separate presentation has been adopted on the basis the gross debts are included as an asset within trade debtors and the funding received is disclosed separately.

Creditors

Short term creditors are measured at the transaction price. These are subsequently carried at amortised cost, being the transaction price less any amounts settled. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pensions

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income 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 group in independently administered funds.

3. TURNOVER

An analysis of turnover by class of business is given below:

	2020 £	2019 £
Intelligent critical freight management, supply chain solutions, freight distribution and truck parking facilities	<u>89,325,685</u>	<u>61,088,703</u>
	<u>89,325,685</u>	<u>61,088,703</u>

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	25,523,998	20,272,472
Europe	62,311,497	38,537,848
Rest of the World	<u>1,490,190</u>	<u>2,278,383</u>
	<u>89,325,685</u>	<u>61,088,703</u>

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	6,025,977	5,882,849
Social security costs	684,810	726,888
Other pension costs	<u>165,537</u>	<u>127,900</u>
	<u><u>6,876,324</u></u>	<u><u>6,737,637</u></u>

The average number of employees during the year was as follows:

	2020	2019
Directors	4	4
Employees	<u>182</u>	<u>221</u>
	<u><u>186</u></u>	<u><u>225</u></u>

	2020	2019
	£	£
Directors' remuneration for qualifying services	442,424	496,125
Directors' pension contributions to money purchase schemes	<u>6,500</u>	<u>6,357</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 2).

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Remuneration for qualifying services	<u>237,432</u>	<u>176,395</u>

Pension contributions for the highest paid directors were £6,500 (2019 - £6,247)

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	323,015	321,956
Amortisation	(13,614)	(13,614)
Auditor's remuneration - audit	60,000	54,000
Auditor's remuneration - tax	11,000	9,600
Foreign exchange	60,494	7,197
Pension	<u>165,537</u>	<u>127,898</u>

6. EXCEPTIONAL ITEMS

Exceptional items relate to redundancy and similar costs (2019 - group restructuring costs).

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	<u>46,554</u>	<u>78,394</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	1,136,720	307,443
Overseas Tax	9,938	-
Prior year adjustment	<u>4,642</u>	<u>(36,584)</u>
Total current tax	1,151,300	270,859
Deferred tax	<u>23,989</u>	<u>51,719</u>
Tax on profit	<u>1,175,289</u>	<u>322,578</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>6,096,955</u>	<u>467,855</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,158,421	88,892
Effects of:		
Expenses not deductible for tax purposes	<u>16,868</u>	<u>233,686</u>
Total tax charge	<u>1,175,289</u>	<u>322,578</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	2020	2019
	£	£
Ordinary Class A shares of 1 each		
Interim	<u>260,000</u>	<u>41,666</u>

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

10. DIVIDENDS (CONTINUED)

On 1 March 2021, the Company paid an interim dividend of £876,860 in respect of the year ending 31 December 2021.

11. GOVERNMENT GRANTS

During the year the group has received government grants due to the COVID-19 pandemic. The group received the Coronavirus Job Retention Scheme grant, which has been credited to the profit and loss account to match the related employment costs. The sum of £757,879 was receivable in the year and disclosed as Other Operating Income.

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Trademarks £	Totals £
COST			
At 1 January 2020 and 31 December 2020	(136,730)	4,296	(132,434)
AMORTISATION			
At 1 January 2020	(81,905)	-	(81,905)
Amortisation for year	(13,614)	-	(13,614)
At 31 December 2020	(95,519)	-	(95,519)
NET BOOK VALUE			
At 31 December 2020	(41,211)	4,296	(36,915)
At 31 December 2019	(54,825)	4,296	(50,529)

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 January 2020	3,249,361	135,935	409,593
Additions	-	230,354	9,802
Disposals	-	-	-
At 31 December 2020	3,249,361	366,289	419,395
DEPRECIATION			
At 1 January 2020	713,093	31,924	353,392
Charge for year	96,845	-	27,631
Eliminated on disposal	-	-	-
At 31 December 2020	809,938	31,924	381,023
NET BOOK VALUE			
At 31 December 2020	2,439,423	334,365	38,372
At 31 December 2019	2,536,268	104,011	56,201

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

13. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2020	660,522	296,523	4,751,934
Additions	110,429	-	350,585
Disposals	-	(2,778)	(2,778)
At 31 December 2020	<u>770,951</u>	<u>293,745</u>	<u>5,099,741</u>
DEPRECIATION			
At 1 January 2020	377,561	126,403	1,602,373
Charge for year	111,625	86,914	323,015
Eliminated on disposal	(3,336)	2,778	(558)
At 31 December 2020	<u>485,850</u>	<u>216,095</u>	<u>1,924,830</u>
NET BOOK VALUE			
At 31 December 2020	<u>285,101</u>	<u>77,650</u>	<u>3,174,911</u>
At 31 December 2019	<u>282,961</u>	<u>170,120</u>	<u>3,149,561</u>

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertaking £
COST	
At 1 January 2020 and 31 December 2020	<u>1,000</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>1,000</u></u>
At 31 December 2019	<u><u>1,000</u></u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Name of undertaking	Registered office	Proportion of nominal value of ordinary shares held		Nature of business
		Directly	Indirectly	
Priority Freight Holdings Limited	6-7 Menzies Road, Whitfield, Dover, Kent, CT16 2HQ	100.00%	-	Holding company
Priority Freight Limited	6-7 Menzies Road, Whitfield, Dover, Kent, CT16 2HQ	-	100.00%	Freight services
Priority Freight (Midlands) Limited	6-7 Menzies Road, Whitfield, Dover, Kent, CT16 2HQ	-	70.00%	Time critical freight management
Priority Freight LHR Limited	6-7 Menzies Road, Whitfield, Dover, Kent, CT16 2HQ	-	100.00%	Freight services
Priority Freight SP Z.O.O	ul. Szybowcowa 31, 54-130 Wroclaw, NIP 8943042594, Poland	-	99.00%	Freight services
Priority Freight Holdings (CYP) Limited	24 Spyrou Kyprianou Avenue, CY 1075, Nicosia, Cyprus	-	100.00%	Holding company
Priority Freight Europe Verwaltungs GmbH	KG Durchfuhr, von Logistik-Dienstleistungen, u.a., 478877 Willich	-	51.00%	Non-trading company
Priority Freight GmbH & Co KG	KG Durchfuhr, von Logistik-Dienstleistungen, u.a., 478877 Willich	-	51.00%	Freight services
Priority Freight (CYP) Limited	24 Spyrou Kyprianou Avenue, CY 1075, Nicosia, Cyprus	-	51.00%	Dormant
Priority Freight SL	Centro de Carga Aerea de Madrid-Barajas, 28042 Nave 7, Madrid, Spain	-	100.00%	Freight services
Priority Freight SRO	Ivanska cesta 30/B, Bratislava, 821 04	-	100.00%	Freight services

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

15. STOCKS

	Group	
	2020	2019
	£	£
Stocks	<u>11,333</u>	<u>2,942</u>

16. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	32,981,262	10,897,857	-	-
Other debtors	1,069,322	2,061,459	50	1,000
Amounts due from group undertakings	890,620	525,362	307,086	46,996
Tax recoverable	408,859	423,703	-	-
Prepayments and accrued income	<u>6,297,398</u>	<u>2,794,962</u>	<u>-</u>	<u>-</u>
	<u>41,647,461</u>	<u>16,703,343</u>	<u>307,136</u>	<u>47,996</u>
Amounts falling due after more than one year:				
Other debtors	<u>1,614,000</u>	<u>-</u>	<u>1,614,000</u>	<u>-</u>
Aggregate amounts	<u>43,261,461</u>	<u>16,703,343</u>	<u>1,921,136</u>	<u>47,996</u>

Other debtors due after more than one year comprises a loan of £1,600,000 together with accrued interest income to a company controlled by a close family member of three of the directors. Loan is due for repayment in July 2027, interest is being charged at 2.1%.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	13,963,172	4,006,086	-	-
Amounts owed to group undertakings	640,517	543,791	1,875,966	42,402
Corporation tax	966,024	83,044	7,718	48
Social security and other taxes	3,135,136	922,917	-	-
Other creditors	125,962	437,788	1,000	1,000
Accruals and deferred income	10,345,595	2,620,778	-	-
Invoice discounting facility	<u>9,167,873</u>	<u>3,994,362</u>	<u>-</u>	<u>-</u>
	<u>38,344,279</u>	<u>12,608,766</u>	<u>1,884,684</u>	<u>43,450</u>

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

Group	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	164,200	150,000
Between one and five years	369,300	300,000
In more than five years	<u>390,000</u>	<u>-</u>
	<u>923,500</u>	<u>450,000</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2020	2019
	£	£
Invoice discount facility	<u>9,167,873</u>	<u>3,994,362</u>

The invoice discounting facility is secured on the assets of the Group.

20. PROVISIONS FOR LIABILITIES

	Group	
	2020	2019
	£	£
Deferred tax	<u>85,806</u>	<u>61,817</u>

Group	Deferred tax
	£
Balance at 1 January 2020	61,817
Provided during year	<u>23,989</u>
Balance at 31 December 2020	<u>85,806</u>

The group's deferred tax liability relates to accelerated capital allowances of £89,835 (2019 - £64,984) less other timing differences of £4,029 (2019 - £2,267)

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£	£
950	Ordinary Class A	1	950	950
50	Ordinary Class B	1	<u>50</u>	<u>50</u>
			<u>1,000</u>	<u>1,000</u>

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

21. CALLED UP SHARE CAPITAL - continued

Ordinary share rights

Dividends can be declared different for class A and B but they remain the same in other respects.

22. RESERVES

Group

	Retained earnings £	Merger reserve £	Totals £
At 1 January 2020	7,969,451	41,980	8,011,431
Profit for the year	4,881,003	-	4,881,003
Dividends	<u>(260,000)</u>	<u>-</u>	<u>(260,000)</u>
At 31 December 2020	<u>12,590,454</u>	<u>41,980</u>	<u>12,632,434</u>

Company

	Retained earnings £
At 1 January 2020	5,035
Profit for the year	292,698
Dividends	<u>(260,000)</u>
At 31 December 2020	<u>37,733</u>

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

Merger reserve

This reserve records consideration received from shares in group companies issued above their nominal value net of transaction costs.

PRIORITY FREIGHT GROUP HOLDINGS LIMITED

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

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

G S Williams

Transactions during the year were made with the group:-

Repayments of £407,778 were made in the year (2019 - £11,681).

Advances of £132,716 were made in the year (2019 - £130,852).

At the year end the group owed G S Williams £27,054 (2019 - G S Williams owed the group £248,008).

No interest has been charged on this loan.

N T Williams

Transactions during the year were made with the group:-

Repayments of £654,122 were made in the year (2019 - £nil).

Advances of £671,457 were made in the year (2019 - £33,523).

At the year end N T Williams owed the group £449,283 (2019 - £431,948).

No interest has been charged on this loan.

P V Williams

Transactions during the year were made with group:-

Repayments of £429,607 were made in the year (2019 - £640).

Advances of £130,869 were made in the year (£116,607).

At the year end the group owed P W Williams £27,906 (2019 - P Williams owed the group £270,832).

No interest has been charged on this loan.

24. RELATED PARTY DISCLOSURES

Group

The group had the following transactions with other related parties:

Loans due from entities with persons of significant influence £1,614,000 (2019 - £nil).

Loans due from entities under common control £469,877 (2019 - £543,918).

Loans due from the ultimate parent company £56,255 (2019 - £525,362).

Sales to the ultimate parent company £387,000 (2019 - £nil).

Company

The company has the following transactions with other related parties:

Loans due from entities with persons of significant influence £1,614,000 (2019 - £nil).

Loans due to the immediate parent company £300,390 (2019 - £nil).

25. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The parent company and ultimate parent company is Tavin Holdings Limited, a company registered in Ireland. Group financial statements have been prepared for Tavin Holdings Limited and are publicly available from 29 Galway Technology Centre, Mervue Business & Technology Park, Galway, H91 AE20.