Registration number: 03900050

Coyote Logistics UK Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2020

Coyote Logistics UK Limited

Contents

Coyote Logistics UK Limited

Company information

Directors	D C Peters J-W Bruining
Registered number	03900050
Registered office	5th Floor Maybrook House Queens Gardens Dover Kent CT17 9AH
Auditors	Deloitte Ireland LLP Statutory Auditor Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland D02 ND96

Coyote Logistics UK Limited

Strategic Report for the Year Ended 31 December 2020

The Directors present their Strategic Report for the year ended 31 December 2020.

Business review and future developments
The principal activities of Coyote Logistics UK Limited ("Coyote" or "the Company") are brokerage services for freight transport by road and providing transport management. Coyote provides an innovative platform to match supply and demand between customers and shippers and commits itself to delivering smarter supply chain solutions.

As a scale-up in Europe, the Company plans to continuously invest in growth of its business and revenue. The Company aims to continue to provide international road freight services for the European logistics industry using an innovative internet enabled platform to facilitate its business and to meet customer and shipper demands. Furthermore, the Company aims to open more sites to establish a full European network to enable closer relationships with customers and suppliers in those markets and to develop and consolidate profitability. Through its shareholder, the Company has access to capital to fund the business as it continues to grow. Although the pandemic has had a small negative effect on volumes, the Company anticipates a recovery in 2021 now that vaccination programs have resulted in easening of restrictions and lockdowns.

While the Company recognises the potentially disruptive impact on its market of an exit from the European Union, it also believes that there could be opportunities for its business model from any disruption. In addition, it is further developing its continental network to reduce reliance on the UK market and the impact of an exit from the EU.

The profit for the year after taxation is £907,656 (2019: £2,121,210).

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Revenue * (Refer note 4)	£	8,313,522	9,715,309
Operating Profit	£	1,411,123	1,815,455
Profit before tax	£	1,190,685	1,200,077
Average employee numbers	No.	139	133
Shareholder's equity	£	(95,186)	(1,002,388)
Current assets as % of current liabilities	%	99	94

The Company continues to expand the portfolio of suppliers with which it works, viewing customer satisfaction and service as of prime importance and monitoring performance accordingly.

Revenue has decreased by 13% compared to 2019. The presentation of amounts in respect of the prior year have been regrouped on a basis consistent with the current year which reflects the implementation of the Company's transfer pricing policy. The 2019 revenue and related cost of sales are presented as one line item under Revenue in note 4. In 2019, the gross amounts presented in the financial statements comprised of Revenue of £63,285,203 and Cost of Sales of £59,995,425.

Customer satisfaction is monitored by online delivery statistics, online feedback questionnaires and informal feedback directly from clients. The Company aims to continually improve service as a response to feedback and to fulfil its stated service promise such that its customers will recommend the Company as a supplier.

Principal risks and uncertainties

In the below paragraph we describe the most important risks and uncertainties and how the Company manages those risks. The below risks are considered principal because of the magnitude, likelihood or combination thereof that may result in a significant impact on the Company.

Strategic Risk
Description: As a broker, Coyote's profitability is subjected to volatility in market prices and performance risks.

Impact: Market risk impact can amongst others be noted through currency effects (the Company currently trades predominantly in EUR, GBP, and PLN), fuel prices and general economic uncertainty. These uncertainties may put pressure on margins especially if corresponding sales values are fixed. Further, non-performance of our carriers directly exposes the Coyote EU, the group to which the Company belongs, to losses. With the COVID pandemic not being resolved it is the Company's expectation that the impact on margins remains highly uncertain and difficult to predict. In the earlier sections of this report, we outlined the current COVID-related impact on 2020.

Due to the global pandemic and subsequent imposed restrictions, supply chains across the world were disrupted in an unprecedented way. We have witnessed a wide range of price drops (such as the oil price in April 2020) and huge increases due to scarcity (e.g. medical supplies). In other industries, production was halted all together and some countries closed their borders for limited periods of time disturbing free flow of goods. These events have affected supply chains in Europe and have affected the Company's margins in both positive as well as negative ways. In 2020, no material non-performance issues have been noted.

Mitigating measures: Coyote EU applies diversified pricing strategies dependent on the contract, type of load and the route. To determine prices, the Company uses innovative data analyses to predict cost prices on a real-time basis including sudden market changes. Such modelling enables Coyote EU to offer competitive prices to our customers whilst retaining a proper margin. Certain performance risks are not affecting the Company, as these are mitigated through the Coyote EU group transfer pricing policy.

Operational Risk
Description: Failure to attract or retain qualified employees could adversely affect us.

Impact: The Company maintains a large workforce and necessarily depends on the skills and continued service of its employees, including our experienced management team. We must be able to attract, engage, develop, and retain a large and diverse pan-European workforce, whilst controlling related labor costs and maintaining an environment that supports our core values. If it is unable to hire, train and retain qualified employees, the Company could experience higher employment costs, reduced sales and lower productivity.

Since the Company is in a scale up phase and growing year-on-year, hiring the best talent, training and retaining them has been a top priority in 2020 and beyond. Although the market for talent is fierce, Coyote has managed to recruit new hires in various positions and functions, combined with improvements in productivity this has resulted in an increase of FTE's of 6 compared to 2019.

Mitigating measures: Within Coyote, people have been the biggest differentiator since day one. Therefore, Coyote invests heavily in attracting the best and retaining qualified employees. Caring for each other, having fun and continuous development are rooted in the Company's values and carried out by the management team wholeheartedly. The Company further provides a dynamic and challenging work environment and excellent primary and secondary benefits for employees. A lot of effort is placed in smooth on-boarding processes and training programs to ensure new hires hit the ground running.

Principal risks and uncertainties (continued)

Operational Risk
Description: Significant data breaches or major IT disruptions could adversely affect our operations.

Impact: The Company relies heavily on IT networks and systems, including the internet and several custom-developed systems and applications, to manage or support a wide variety of important business processes and activities throughout our operations. Such systems are susceptible to failures, cyber-attacks and defects, which may result in an inability to (temporarily) use any of these systems. This may have significant adverse impact on the continuity of our operations. In addition, the provision of services to our customers and our operations in general require us to collect, store and transmit vast amounts of proprietary and sensitive data. A security breach may cause exposure to data loss affecting the Company and its (intellectual) property, but potentially also our customers, employees, and other stakeholders. Furthermore, due to stringent European privacy laws a data breach may result in non-compliance with laws and regulations resulting in litigations or fines.

In 2020, the Company experienced no material data breaches or IT disruptions that materially affected its operations.

Mitigating measures: Cyber-attacks are getting more sophisticated. Maintaining up-to-date defenses is a high priority. To mitigate cyber threats, the Company closely aligns with the headquarters in the US to which the Company's IT management is outsourced. On top of that, local IT resources are in place to respond quickly and adequately to any issues should they arise. The Company has invested and continues to invest in technology security initiatives, risk management and back-up and recovery plans if an incident would occur.

Since attacks are also conducted through human interaction ('social engineering'), the Company has periodical mandatory learnings on this topic to generate awareness among employees, as well as alerts to warn for suspicious e-mails.

Financial Risk
Description: Through its accounts receivables, the Company is exposed to credit risks.

Impact: Customers defaulting on payments may result in write-off of receivables and working capital challenges.

Although 2020 has been affected by economic downturn due to the COVID pandemic, there have been no significant write-offs nor major increases in the bad debt provision. Coyote has little to no customers in industries that were extremely negatively affected by the pandemic. In addition, the Company's customer portfolio is very diverse both from an industry and a geographical perspective.

Mitigating measures: Through the Coyote EU group transfer pricing policy the Company is not impacted by the adverse impact of credit risk.

Principal risks and uncertainties (continued)

Regulatory Risk
Description: Coyote's European presence and growth strategy towards other jurisdictions imposes new regulatory compliance risks on the Company.

Impact: Each country in Europe has its own applicable laws and regulations when it comes to corporate income taxes, VAT and employment. Conducting cross border business requires the Company to have a license-to-operate in each jurisdiction. Non-compliance with local law and regulation may result in fines, sanctions and/or litigations. Furthermore, the failure to apply fiscal rules correctly may result in misstated corporate income tax positions and VAT positions on the balance sheet.

The Company has a branch in Poland, exposing the Company to local fiscal law and regulations, employment law and VAT.

Furthermore, Brexit has had an impact mainly on the UK business and cross channel lanes, specifically in terms of changed customs rules and VAT.

Mitigating measures: Coyote has set up a transfer-pricing policy applicable to all entities and branches within the Coyote European group. The policy is checked on an annual basis to ensure compliance is up to date. Coyote has engaged external payroll providers with local knowledge to further support employment regulations in all jurisdictions.

Furthermore, Coyote's compliance team has installed a Brexit task-force responsible to identify and manage impact from Brexit for our organization and our customers, which has resulted in the ability to anticipate changing circumstances on January 1, 2021 and beyond. The Legal and Compliance team continuously monitors changes in (international) law and regulation throughout those countries where Coyote is present. Furthermore, Coyote has access to the shareholder's in house legal counsel and tax specialists. External specialists are engaged in areas where Coyote requires additional expertise.

COVID-19 impact
The COVID-19 pandemic resulted in a substantial curtailment of business activities, weakened economic conditions, supply chain disruptions, economic uncertainty, and volatility in financial markets throughout Europe. The pandemic has significantly impacted the world and has had an adverse impact on the operations, financial performance, and liquidity of many of our customers. Due to the ongoing severity, magnitude, and duration of the COVID-19 pandemic and because its economic consequences are uncertain, rapidly changing and difficult to predict, the future impact on the Company's operations, financial condition and liquidity remains uncertain.

Brexit
The Directors have considered the effects of Brexit and the resulting impact of an increased degree of market uncertainty. In January 2021, Brexit came into effect. The ultimate impact of Brexit will depend on evolving factors, many of which are not within the Company's control. These risks include, but are not limited to: a significant increase in trading costs, border delays and net profitability due to long term changes in the Company's exports and imports. These financial statements have been prepared as of, and for the year ended, 31 December 2020, and reflect events subsequent to that date that provide additional evidence of conditions that existed at the end of the reporting period. The effects of Brexit on the Company are considered an event that is indicative of conditions that arose after the reporting period and, accordingly, no adjustments have been made to the financial statements for the year ended 31 December 2020.

Section 172 statement
The following statement describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

Section 172 of the Companies Act 2006 requires a director of a company to act in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In carrying out this duty under s172, the Directors of the Company have given regard, among other things, to the following:

Decision making process
The Directors of the Company act in good faith to ensure the continued growth, profitability and suitability of the Company. In doing so, they are required to consider the short, medium and long term positive and negative impacts of their decisions. Business strategies and decisions are subject to a rigorous review process involving various levels of employees from numerous departments. Moreover, regular risk and compliance meetings are held to monitor potential legal and ethical risks which may compromise the performance of the Company.

Employees
The Company Directors recognise that the employees are fundamental to upholding the Company's key principles of honesty, quality and integrity, as well as ensuring continued financial success. The Company continually communicates with its employees through formal and informal meetings, offline and online communication such as the weekly employee newsletter. Moreover, the Company adopts a "No Retaliation" Policy to ensure employees are comfortable in voicing their views and concerns without fear of reprisal. The Company also offers a 24/7 employee helpline, run by external providers, to offer employees an alternative method of voicing their views outside of normal business channels.

The Company is dedicated to investing in the growth and development of its employees through a variety of methods including continuous training and regular performance and salary reviews.

Environment and communities
The Directors recognise the importance of community engagement and the need to make a positive impact on the environment. In 2016, the UPS group committed to achieving 10 sustainability goals, which the Company is committed to achieving. More details of each can be found in the groups schedule and is on track to achieve the remainder as planned.

In addition to the extensive corporate social responsibility programme, the Company is constantly investing in ways in which its delivery network and working practices can be improved from an environmental perspective.

Customers, suppliers, consultants and partners
The Company understands that its success is underpinned by a loyal customer base. As enshrined in the Company's Code of Conduct, the Directors aim to secure and develop customer relationships fairly and on the basis of superior services and products and competitive prices. Directors will continually be appraised of, and involved in, customer developments and decision making.

Any decision to engage with suppliers, consultants and partners is based on a strict criterion such as qualifications, competitive pricing and reputation. The Company's Code of Conduct imparts a strict duty of disclosure on each employee to ensure any personal vested interest is disclosed prior to deciding on third party engagement. The Company continually monitors its relationships to ensure they conform to internal procedures and the relevant competition law requirements.

Section 172 statement (continued)

Fair treatment of members

Coyote Logistics UK Limited is a wholly owned subsidiary of UPS Corporate Finance S.a.r.l. The Directors ensure fairness by complying with its policies, guidelines and applicable legislation.

Principal decisions

Being a part of a large multinational group of companies, the Company adheres to policies and procedures which are often set by the ultimate parent company, United Parcel Service, Inc.. During the year there were no principal decisions, within the context of section 172 reporting, for the Company to disclose.

Approved by the Board on 27 September 2021 and signed on its behalf by:

....

D C Peters

Director

Coyote Logistics UK Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends
The profit for the year, after taxation, amounted to £907,656 (2019: £2,121,210).

There were no dividends paid or received in the year ended 31 December 2020 (2019: £Nil).

Directors
The Directors who served during the year were:

D C Peters (appointed 30 January 2020)

J-W Bruining (appointed 30 January 2020)

P R Stewardson (resigned 31 January 2020)

G S Kelley (resigned 31 January 2020)

Financial risk management
Objectives and policies

The Company's operations expose it to a variety of financial risks, including the effects of changes in market prices, changes in foreign currency rates of exchange, credit risk, liquidity risk and interest rate risk.

Market Prices
The nature of the Company's business model is that it seeks to exploit fluctuations in market prices. Where it is exposed to fluctuation it operates systems to ensure that the business reacts immediately to such changes to prevent undue erosion of margin and also uses contract clauses to pass price increases on to customers.

Foreign Currency Risk
Through it's Polish branch and EU affiliations, the Company is exposed to currency risks specifically related to Polish Zloty and Euro transactions. The Company does not apply a hedging strategy to hedge currency risks.

Credit Risk
All customers wishing to trade on credit terms are subject to independent assessment of credit quality taking into account their financial position, past experience and other factors with risk limits being set on an individual basis and regularly reviewed.

Liquidity Risk
UPS Global Treasury Finance BVBA manages the Company's cash and borrowing requirement so as to maximise interest income and minimise interest expense at the same time ensuring that there are sufficient liquid resources to meet operating requirements.

Interest Rate Risk
The Company has no interest rate bearing liabilities. Interest bearing assets may be comprised of cash balances which earn interest at market rates. The Company seeks to ensure that there are sufficient liquid resources to meet operating needs whilst at the same time maximising interest income as far as possible.

Future developments
Future developments are referred to in the Strategic Report on page 2.

Directors' Report for the Year Ended 31 December 2020 (continued)

Branches outside the United Kingdom
The company has a branch named "Coyote Logistics UK Limited (Sp. z o.o.) Oddział w Polsce" ("Branch") in the city of Wroclaw, Poland.

Going concern
Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors confirm that they consider that the going concern basis to be appropriate.

The Directors consider that the going concern basis is appropriate as the parent undertaking has confirmed that it will provide support for at least the next 12 months. Thus they adopt the going concern basis in preparing the annual financial statements.

Political donations
There were no political donations from the Company for the financial year end 31 December 2020 (2019:£Nil). There were no charitable donations for the financial year end 31 December 2020 (2019:£Nil).

Events after the financial reporting date
There have been no events after the end of the year that had a material impact on the results of the Company.

The impact of Brexit has been discussed in the Strategic Report (Page 5).

Directors' third party indemnity provisions
The Company has made a qualifying third party indemnity provision for the benefit of its Directors' which were made during the period and remain in force at the date of this report.

Disclosure of information to the auditor
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Auditor
The auditor, Deloitte Ireland LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 27 September 2021 and signed on its behalf by:

....
D C Peters
Director

Coyote Logistics UK Limited

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the members of Coyote Logistics UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Coyote Logistics UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the Profit & Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 22, including a summary of the significant accounting policies set out in note 2.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 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.

Deloitte.

Independent auditor's report to the members of Coyote Logistics UK Limited (continued)

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditor's report to the members of Coyote Logistics UK Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, we report these conclusions in our auditor's report. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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

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

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment law, environmental regulations and the Data Protection Act 2018.

We discussed among the audit engagement team, including tax and transfer pricing specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs, we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Deloitte.

Independent auditor's report to the members of Coyote Logistics UK Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- reading minutes of meetings of those charged with governance; and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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

David Boyle (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

29 September 2021

Coyote Logistics UK Limited

Profit & Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 (As restated *) £
Revenue	4	8,313,522	9,715,309
Administrative expenses		(6,902,399)	(7,899,854)
Operating profit	5	**1,411,123**	**1,815,455**
Interest payable and expenses	8	(220,438)	(615,378)
Profit before tax		**1,190,685**	**1,200,077**
Taxation	9	(283,029)	921,133
Profit for the financial year		**907,656**	**2,121,210**

* Refer to note 4.

The above results were derived from continuing operations.

The notes on pages 19 to 33 form an integral part of these financial statements.

Statement of Comprehensive Income
for the Year Ended 31 December 2020

	2020 £	2019 £
Profit for the year	907,656	2,121,210
Foreign currency translation loss	(454)	-
Total comprehensive income for the year	907,202	2,121,210

The notes on pages 19 to 33 form an integral part of these financial statements.

Coyote Logistics UK Limited

(Registration number: 03900050)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	42,629	635,328
		42,629	635,328
Current assets			
Debtors: amounts falling due within one year	11	11,166,293	23,933,068
Cash at bank and in hand	12	1,778,182	6,784
		12,944,475	23,939,852
Creditors: amounts falling due within one year	13	(13,082,290)	(25,577,568)
Net current liabilities		(137,815)	(1,637,716)
Total assets less current liabilities		(95,186)	(1,002,388)
Net liabilities		(95,186)	(1,002,388)
Capital and reserves			
Called up share capital	15	5,569	5,569
Share premium account	16	2,889,905	2,889,905
Foreign currency translation reserve	16	(454)	-
Profit and loss account	16	(2,990,206)	(3,897,862)
Total equity		(95,186)	(1,002,388)

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:

....
D C Peters
Director

....
J-W Bruining
Director

The notes on pages 19 to 33 form an integral part of these financial statements.

Coyote Logistics UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Called up share capital £	Share premium account £	Foreign currency translation reserve £	Profit and loss account £	Total equity £
At 1 January 2019	5,569	2,889,905	-	(6,019,072)	(3,123,598)
Profit for the year	-	-	-	2,121,210	2,121,210
At 31 December 2019	5,569	2,889,905	-	(3,897,862)	(1,002,388)

	Called up share capital £	Share premium account £	Foreign currency translation reserve £	Profit and account loss account £	Total equity £
At 1 January 2020	5,569	2,889,905	-	(3,897,862)	(1,002,388)
Profit for the year	-	-	-	907,656	907,656
Other comprehensive income	-	-	(454)	-	(454)
At 31 December 2020	5,569	2,889,905	(454)	(2,990,206)	(95,186)

The notes on pages 19 to 33 form an integral part of these financial statements.

1 General information

The principal activities of Coyote Logistics UK Limited ("Coyote" or "the Company") are brokerage services for freight transport by road and providing transport management. Coyote provides an innovative platform to match supply and demand between customers and shippers and commits itself to delivering smarter supply chain solutions.

The Company is a private limited company (registered number 03900050) which is incorporated and domiciled in England and Wales. The Company's registered office is:

5th Floor
Maybrook House
Queens Gardens
Dover
Kent
CT17 9AH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

The functional and presentation currency of the Company is Pounds Sterling (GBP or £). The functional currency of the branch is the Polish Zloty (PLN). Branch profit and loss items in foreign currencies are translated at the average rate for the financial year. Balance sheet items are translated at the rate applicable at balance sheet date.

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

The following principal accounting policies have been applied:

Summary of disclosure exemptions
The entity 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 to it in respect of its separate financial statements under paragraph 1.12 of FRS 102:

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

(a) the requirement to prepare a Statement of cash flows (Section 7 of FRS 102 and para 3.17(d)); and

(b) the disclosure of remuneration of key management personnel.

As at 31 December 2020, the Company is consolidated in the financial statements of its ultimate parent, UPS Inc, which may be obtained at https://investors.ups.com/_assets/_89229cd43b36f9c9d8b7d122ac915940/ups/db/1110/9465/annual_report/UPS_2021_Proxy_Statement_and_2020_Annual_Report%3B_Form_10-K.pdf.

Going concern
At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future for the reasons outlined in the Directors' Report. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue
Revenue comprises the fair value of the consideration received or receivable from the provision of services in the ordinary course of the Company activities. Under FRS 102, an entity is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. On 1 January 2019, a transfer pricing policy was implemented which resulted in Coyote Logistics Nederland B.V. assuming all the associated significant risks associated with the European operations and transactions. The Company's revenue consists of sales commission of 3.07% (2019: 3.86%) in respect of all sales generated by employees of the Company. The Company also recharges other group entities for costs incurred and are recharged with a 3.17% (2019: 4.02%) markup.

Revenue is shown net of sales value added tax, returns, rebates and discounts and after eliminating sales within the Company. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and the specific criteria have been met for each of the Company's activities.

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.

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:

Asset class	Depreciation method and rate
Short term leasehold property	Over the term of the lease
Fixtures, fittings & equipment	50% Straight line
Computer equipment	50% Straight line

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

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

2 Accounting policies (continued)

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

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

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Operating leases: the Company as a lessee
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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.

2 Accounting policies (continued)

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

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

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

2 Accounting policies (continued)

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

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

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Foreign currency translation
Functional and presentation currency

The company's functional and presentation currency is the Pound Sterling (GBP or £). The functional currency of the Branch is the Polish Zloty (PLN).

Transactions and balances

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

At each year end foreign currency monetary items are translated using the closing rate. Branch profit and loss items in foreign currencies are translated at the average rate for the financial year. Balance sheet items are translated at the rate applicable at balance sheet date.

Pensions
Defined contribution pension plan

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

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

2 Accounting policies (continued)

Provisions for liabilities

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

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

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 Accounting policies (continued)

Taxation (continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Directors do not consider there to be any critical judgements or key sources of estimation uncertainty during the year.

4 Revenue

The analysis of the Company's revenue for the year is as follows:

	2020	2019 (As restated *)
	£	£
Sales commission	1,609	3,289,778
Management charges	8,311,913	6,425,531
	8,313,522	9,715,309

* The presentation of revenue has been amended in 2020 to reflect the implementation of the Company's transfer pricing policy. In order to match the current year presentation, the comparative figures have been regrouped. The 2019 revenue and related cost of sales are presented as one line item under "Revenue". In 2019, the gross amounts presented in the financial statements comprised of Revenue of £63,285,203 and Cost of Sales of £59,995,425.

Management charges represent the recharges made to Coyote Logistics Nederland B.V, a sister company.

5 Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	667,680	520,987
Exchange differences	(231,310)	431,598
Other operating lease rentals	285,132	364,513

6 Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	27,103	20,075
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	-	4,015

7 Employees

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

	2020 £	2019 £
Wages and salaries	4,109,389	3,996,115
Social security costs	548,354	563,335
Cost of defined contribution scheme	49,534	44,214
	4,707,277	4,603,664

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

	2020 No.	2019 No.
Sales and administration	139	133

8 Interest payable and similar expenses

	2020 £	2019 £
Interest payable	220,438	615,378
	220,438	615,378

9 Taxation

Tax charged/(credited) in the Profit and Loss Account.

	2020 £	2019 £
Current taxation		
Foreign tax on income for the year	69,736	41,572
Foreign tax adjustment to prior periods	(41,572)	-
	28,164	41,572
Total current taxation	28,164	41,572
Deferred taxation		
Arising from origination and reversal of timing differences	248,085	(962,705)
Adjustment in respect of previous periods	6,780	-
Total deferred taxation	254,865	(962,705)
Tax expense/(receipt) in the Profit and Loss Account	283,029	(921,133)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	1,190,685	1,200,077
Tax on profit at standard UK tax rate of 19.00% (2019: 19.00%)	226,230	228,015
Expenses not deductible for tax purposes	9,023	62,383
Depreciation on non qualifying assets	12,833	14,258
Other permanent differences	-	(7,899)
Foreign tax credits	69,736	41,572
Adjust deferred tax to standard corporation tax rate	-	(133,308)
Recognition of deferred tax not previously recognised	6,780	(1,126,154)
Adjustment of current tax for previous periods	(41,572)	-
Tax rate changes	(1)	-
Total tax charge/(credit) for the year	283,029	(921,133)

9 Taxation (continued)

Factors affecting the tax charge for the financial year

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19% and this was effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by the Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of corporation tax, maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. If the company's deferred tax balances at the period end were remeasured at 25% this would result in a deferred tax credit of £223,528.

10 Tangible assets

	L/Term leasehold property £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2020	72,497	236,844	1,471,975	1,781,316
Additions	19,995	67,329	-	87,324
Disposals	-	(3,566)	-	(3,566)
At 31 December 2020	92,492	300,607	1,471,975	1,865,074
Depreciation				
At 1 January 2020	48,880	87,415	1,009,693	1,145,988
Charge for the year	29,563	185,835	462,282	677,680
Eliminated on disposal	-	(1,223)	-	(1,223)
At 31 December 2020	78,443	272,027	1,471,975	1,822,445
Carrying amount				
At 31 December 2020	14,049	28,580	-	42,629
At 31 December 2019	23,617	149,429	462,282	635,328

11 Debtors

	2020 £	2019 £
Trade debtors	7,669,515	9,722,170
Amounts owed by group undertakings	790,664	7,715,939
Other debtors	124,519	56,744
Prepayments and accrued income	1,873,755	5,475,510
Deferred taxation	707,840	962,705
	11,166,293	23,933,068

Amounts owed by group undertakings are unsecured and the 2020 position includes a cash pool account with UPS, on which interest was charged based on SONIA plus 150 basis points in case of loans denoted in GBP and US00O Index plus 19 basis points in case of loans denoted in USD (2019: SONIA plus 150 basis points in case of loans denoted in GBP and US00O Index plus 19 basis points in case of loans denoted in USD).

12 Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,778,182	6,784
Less: bank overdrafts	-	(8,759)
	1,778,182	(1,975)

The Company's shareholder has a cash pool which allows for the pooling of cash by various entities to meet funding requirements. The Company has a line of credit through this cash pool and is not dependent on external parties for funding. All transactions with related parties are conducted on an arms' length basis. Refer to note 11 "Debtors" and 13 "Creditors: Amounts falling due within one year" for more details around the cash pool agreement.

13 Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	8,759
Trade creditors	3,241,017	3,565,798
Amounts owed to group undertakings	6,328,665	17,431,467
Corporation tax	16,978	41,572
Other tax and social security	603,258	351,142
Other creditors	7,137	83,364
Accruals and deferred income	2,885,235	4,095,466
	13,082,290	25,577,568

Amounts owed to group undertakings are unsecured and the 2019 position includes a cash pool account with UPS, on which interest was charged based on SONIA plus 150 basis points in case of loans denoted in GBP and US000 Index plus 19 basis points in case of loans denoted in USD (2019: SONIA plus 150 basis points in case of loans denoted in GBP and US000 Index plus 19 basis points in case of loans denoted in USD).

14 Deferred taxation

	2020 £	2019 £
At the start of the year	962,705	-
Deferred tax (credited)/charged to the Profit and Loss Account for the year	(248,085)	962,705
Adjustment in respect of prior years	(6,780)	-
At the end of the year	707,840	962,705

The deferred tax asset is made up as follows:

	2020 £	2019 £
Depreciation in excess of capital allowances	170,075	86,913
Tax losses carried forward	537,765	875,792
	707,840	962,705

15 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.10 each	55,690	5,569	55,690	5,569

16 Reserves

Share premium account

The share premium includes the premium on issue of equity shares, net of any issue costs.

Profit & loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Foreign currency translation reserve

The functional currency of the branch is the Polish Zloty (PLN). Branch profit and loss items in foreign currencies are translated at the average rate for the financial year. Balance sheet items are translated at the rate applicable at balance sheet date.

17 Pension commitments

The Company operates a defined contributions pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £49,534 (2019: £44,214).

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

18 Commitments under operating lease

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following years:

	2020 £	2019 £
Not later than one year	275,958	288,588
Later than one year and not later than five years	480,376	710,219
Later than five years	143,951	190,066
	900,285	1,188,873

19 Related party transactions

Exemptions have been taken by the Company in these separate Company financial statements in relation to the disclosure of remuneration of key management personnel for the year.

No guarantees have been given or received.

20 Controlling party

The immediate parent company is UPS Corporate Finance S.à.r.l., incorporated in Luxembourg, and the ultimate parent company and ultimate controlling party is United Parcel Service, Inc., incorporated in Delaware, United States of America. United Parcel Service, Inc. represents largest group which prepares consolidated accounts which include the results of this company.

In common with other companies which are members of a group of companies, the financial statements reflect the effect of such membership. The company has availed of the exemption granted in Section 33 of FRS 102, "Related Party Disclosures" for subsidiary undertakings, 100% of whose voting rights are controlled within the group, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

The most senior parent entity producing publicly available financial statements is United Parcel Service, Inc.. These financial statements are available upon request from Coyote Logistics UK Limited (5th Floor, Maybrook House, Queens Garden, Dover, Kent, CT17 9AH).

21 Events after the financial reporting date

There have been no events after the end of the year that had a material impact on the results of the Company.

The impact of Brexit has been discussed in the Strategic Report (Page 5).

22 Approval of the financial statements

These financial statements were approved by the directors on 27 September 2021.