DHL Aviation (UK) Limited

DHL Aviation (UK) Limited

(Registered number: 02096375)

Annual Report and Financial Statements
For the year ended 31 December 2020

DHL Aviation (UK) Limited

Annual report and financial statements for the year ended 31 December 2020

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DHL Aviation (UK) Limited

Annual report and financial statements for the year ended 31 December 2020

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Directors	P Bardens S Aslam
Registered number	02096375
Registered office	Southern Hub Unit 1, Horton Road Colnbrook Berkshire SL3 0BB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road, Watford United Kingdom WD17 1JJ

DHL Aviation (UK) Limited

Strategic report (Registered number: 02096375)
For the year ended 31 December 2020

The directors present their strategic report on the company for the year ended 31 December 2020.

Review of the business

The directors have stated revenue that has decreased in the year by 2.7% revenue largely due to COVID (2019:10.1%) versus 2019 and gross margins having decreased at 37.7% (2019: 40.0%) on the previous year, largely due to the decreased revenue and an increased cost of sales. The directors expect to see operational growth in the future as COVID rules are relaxed and market conditions are improved to a greater extent than observed during 2020.

Principal activities of the business

The principal activities of the business is to provide services for inward, outward and transit movements of documents and freight at UK airports on behalf of the DHL Worldwide Network. The company will continue to operate these principal activities for the foreseeable future.

Future developments

The directors expect the commercial environment to remain highly competitive over the coming years from the perspective of both market competition and customer competition. The directors are confident that they will be able to regain some growth for the foreseeable future through increased service and customer satisfaction as COVID restriction's ease.

Key performance indicators

The directors have identified the following three key performance indicators ('KPIs') that are regarded as central to the company's profitability.

	2020	2019
Change in revenue (%)	**(2.7)**	10.1
Change in administration expense £'000	**(3,436)**	618
Net assets £'000	**26,414**	22,658

Revenue decreased by 2.7% to £134,873,000 in 2020 from £138,596,000 in 2019; the company has seen a decrease in customer volumes due to COVID. There was still a small increase in the cost of sales, rising by 1.0% to £83,999,000 in 2020, an increase of £814,000 over 2019. As a result, our gross profit margins have decreased from 40.0% in 2019 to 37.7% in 2020.
Administrative expenses have decreased by 7.4% from £46,473,000 in 2019 to £43,037,000 in 2020; the main cause is due to the final negotiations of the East midlands capacity expansion project and change in the dilapidations provision to a Dismantling provision now shown as an asset for the self-owned East midlands building.

Net assets have increased by 16.6% from £22,658,000 2019 to £26,414,000 2020; the main contributor is decreased fixed assets of £14,610,000, increased current assets of 8,701,000 and increase in liabilities of £9,663,000.

The Directors of the company manage the key performance indicators at a group level and these are discussed in Deutsche Post A.G's 2020 annual report which does not form part of this report. The main key performance indicators for the company are considered to be revenue growth and profitability and these trends are analysed in the review of the business above.

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks.
Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

DHL Aviation (UK) Limited

Strategic report (continued)
For the year ended 31 December 2020

Principal risks and uncertainties (continued)

The key business risks affecting the company are set out below:

Risks arising from COVID 19

The directors have put in place a COVID task team since the beginning of the crisis, our primary concern being the health and wellbeing of our staff. The team is headed by the Managing director and managed by the rest of the senior management team and key personnel. The company's operations are monitored regularly and any risk minimised with appropriate actions taken when needed. Our objective remains to continue to provide a reliable service to our customers, as we continue to operate through this crisis.

Competition

Deutsche Post A.G and DHL are in competition with other providers. Such competition can significantly impact our customer base as well as the levels of prices and margins in our markets. In the aviation business, the key factors for success are quality, customer confidence and competitive prices. Thanks to our high quality along with the cost savings we have generated in recent years, we believe that we shall be able to withstand the competition and keep any negative effects at a low level.

Employees

The company's performance depends largely on its regional managers and local staff. The resignation of key individuals and the inability to recruit people with the right experience and skills from the local community could adversely impact the company's results. To mitigate these issues the company have introduced a learning programme for all employees and have implemented a number of schemes linked to the company's results that are designed to retain key individuals.

Internal processes

Logistics services are generally provided in bulk and require a complex operational infrastructure with high quality standards. To consistently guarantee reliability and punctual delivery, processes must be organised so as to proceed smoothly with no technical or personnel-related glitches.

Any weaknesses with regard to posting and collection, sorting, transport, warehousing or delivery could seriously compromise our competitive position. We therefore adapt all processes to current circumstances as needed. We also take preventive measures to guard against disruptions or malfunctions in our operational processes. Should disruptions nonetheless occur, contingency plans will come into effect to minimise the consequences. Some risks from business interruptions are also reduced by our insurance policies.

Supply chain

Given the company's focus on service availability and efficiency, its main aims are customer focus both internationally and locally. At an international level, the company is exposed to potential supply chain disruptions due to aircraft delays and loss of service. The company mitigates these risks through effective contingency plans as well as supplier selection and procurement practices supplemented by appropriate insurance coverage.

DHL Aviation (UK) Limited

Strategic report (continued)
For the year ended 31 December 2020

Section 172 statement

Section 172 of the UK's Companies Act 2006, imposes on a director the duty to 'act in a way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole' and, in so doing, to have regard to a series of factors listed in the section below:

Interests in the company

The directors of the company act in good faith to ensure its long term profitability and continued growth in the market place. Investments and new contracts go through a strict review process to ensure positive cash flows and profit are achieved. Regular performance reviews are conducted to monitor progress and corrective actions taken if necessary.

Employees

The directors pay special regard to their employees as they are regarded as fundamental assets to the company. The annual employment opinion survey as well as an open culture allows employees to voice their concerns, whilst continuing to contribute to the day to day running of the company. We strive to be an employer of choice, investing generously in training and holding 1-to-1 employee, manager sessions to discuss any issues employees may have.
Annual reviews of employee remuneration and benefits are carried out through appraisals and salary reviews.

Customers

The long term success of the company is driven by a string and loyal customer base with any material impact being discussed at board level. The key focus of the company is to be the 'provider of choice' for its customer, aiming to offer excellent quality of service at all times.

Environment and community

The company recognises the impact it has on the environment with regards to CO2 emissions and road safety. When investing in its fleet, the company considers both financial and environmental impact. As part of our 'Go Green' initiatives we look at introducing carbon efficient vehicles and use of carbon efficient energy resources. The company operates within all health and safety regulations and legislations.
As part of our 'DHL's got heart' programme, we recognize and support employees who support causes within their local community.

Business conduct

The directors ensure business is conducted to a compliant standard, with both customers and suppliers. All suppliers must sign our supplier code of conduct to ensure we work with desirable and compliant businesses. All negotiations with both customers and suppliers are conducted with transparency and at arms- length agreements.

Fair treatment of members

The company is owned by Deutsche Post A.G, the directors ensure fairness by adhering to all relevant corporate polices, guidelines and legislation.

S Aslam

On behalf of the board

S Aslam
Director
Date 24 September 2021

Directors' report (continued)
For the year ended 31 December 2020

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020. The company risk management is disclosed in the strategic report.

Future developments

Future developments are deemed to be of strategic importance to the company and as such have been outlined within the strategic report.

Financial risk

The company is dependent on its parent, hence is funded by Deutsche Post A.G via a management fee agreement, and therefore has no major risk of liquidity or interest rate risks.

Strategic information

The future outlook and risk management are explained within the strategic report on pages 1-2.

Corporate Governance statement

Our business relationships and activities are based upon responsible business practice that complies with applicable laws, ethical standards and international guidelines and this also forms part of the Company's strategy. Equally, we require all suppliers to act in this way. Our Code of Conduct is aligned to the ultimate parent undertaking, Deutsche Post AG. More details of this can be found in the group financial statements of Deutsche Post AG which can be obtained from the Deutsche Post DHL Group, Zentrale – Investor Relations, 53250 Bonn, Germany.

Stakeholder engagement

Engaging and building trust with a broad range of stakeholders is key to delivering our strategy and ensuring long term success. We demonstrate below how we engage with our stakeholders aiming to foster an effective and mutually beneficial relationship.

Shareholders

The company is owned by Deutsche Post A.G, the directors ensure fairness by adhering by adhering to all relevant legislation, corporate policies and guidelines.

Customer engagement

The company is committed to a key pillar of our strategy, 'a provider of choice', prioritising customer service which we aim to improve through our Net Promoter Approach (NPA). We engage with customers who are not entirely satisfied with the service received to rectify this via root-cause analysis.

Employee Involvement

The company provides its employees key information on matters of concern to them, on a regularly basis. An Employee Communication Forum (ECF) elects a team of representatives from all departments to provide feedback to management on a regular basis.
Deutsche Post A.G values it employee's opinions and encourages all employees to participate in the annual Employee Opinion Survey (EOS). This aims to improve engagement to understand and resolve any highlighted issues.
The company also continues to inform employees of financial and economic factors affecting company performance, activities and general matters of interest via personal briefings, weekly e mail communications and holding town halls, use of television, in-house magazines and newsletters.

Stakeholder engagement (continued)

Governing bodies and regulators
We regularly work with relevant regulatory departments such as environmental, health and safety and HMRC, through regular compliance updates. Our annual financial reporting processes work closely with these departments including tax departments to comply with regulations.

Suppliers

The company liaises with a wide range of suppliers whom we agree various terms and conditions with, complying with Deutsche Post A.G procurement policies. All suppliers must sign our supplier code of conduct to ensure we can work with them.

Carbon reporting

Emissions and energy use

	2020	2019
Greenhouse Gas (GHG) Emissions		
Total CO2e (tonnes)	**3,431,398**	**3,700,387**
Scope 1 CO2e emissions (tonnes)	1,998,440	2,025,359
Scope 2 CO2e emissions (tonnes)	1,248,908	1,422,390
Scope 3 CO2e emissions (tonnes)	184,050	252,638
Intensity Ratio		
Total revenue	134,873,000	138,596,000
Total GHG per £ revenue	0.025	0.027
Energy consumption to calculate above emissions (Kwh)	27,473,707	29,396,176

The carbon reporting year for our GHG emissions is based per calendar year for 2019 and 2020.
Carbon dioxide emissions are calculated in accordance to 3 scopes.

Methodology

The method used to calculate the GHG is based on the 2019 and 2020 UK Government Greenhouse gas reporting conversions factors and DHL's responsible unit costs.

Scope 1 covers combustions fuels from company owned operational and road vehicles. We are currently reliant on fossil fuels for all our Ground support equipment (GSE) and Heavy goods vehicles (HGV).
These account for 54% of our annual Carbon footprint, there are no permanent electric GSE within our fleet.

Scope 2 covers emissions form electricity and gas purchased for own use. We have used a zero based emission factor were we have a renewable electricity contract in place.

Scope 3 covers indirect emissions from business travel from ground transport in the UK.
All energy and fuel consumption data is captured from direct utility and fuel billing for both 2019 and 2020.

Carbon reporting (continued)

Energy efficiency narrative

In 2019 we performed our phase 2 Energy Savings and Opportunities (ESOS) assessment which identified potential energy savings of 1,922,470 kWh and this assessment has formed part of our environmental strategy. Since this report we have implement a range of energy saving measures. This included updating LED lighting, installing light sensors, hybrid and fully electric car policy, and an employee environmental training platform.

We are currently in the process of investigating large infrastructure change and have purchased electric operation vehicles for 2022, with PV solar panels, telematics and driver influence training on the agenda.

In 2020 we have reduced our carbon emissions by 7% overall versus 2019, this has been partially attributed to less business travel, remote working solutions and reduced operational capacity in commercial airlines resulting in reduced shipments numbers due to COVID.

Dividends

The directors do not recommend the payment of a dividend (2019: £nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

D Pedri (resigned on 20 August 2020)
A Meijer (resigned on 1 January 2021)
S Aslam
P Bardens

Third party indemnity provision

The Deutsche Post A.G group maintains liability insurance for directors and officers of all subsidiary companies. The company provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force.

Employees

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance and, accordingly, maintains regular communications with employees and has well established consultation arrangements.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.
Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Post Balance sheet events

There were no post balance sheet events.

Directors' report (continued)
For the year ended 31 December 2020

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office for the coming year.

On behalf of the Board

S Aslam

S Aslam
Director
Date 24 September 2021

Independent auditors' report to the members of DHL Aviation (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, DHL Aviation (UK) Limited's financial statements:

- 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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2020; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Performing appropriate audit procedures on the letter of support provided by the parent company, assessing the existing sources of finance and considering the overall impact on liquidity, concluding that there is not a material uncertainty related to going concern.

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.

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.

Independent auditors' report to the members of DHL Aviation (UK) Limited (continued)

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

Independent auditors' report to the members of DHL Aviation (UK) Limited (continued)

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.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to relevant tax legislation and applicable local laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and potential management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management; and

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of DHL Aviation (UK) Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
24 September 2021

DHL Aviation (UK) Limited

Statement of comprehensive income
For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue	4	**134,873**	138,596
Cost of sales		**(83,999)**	(83,185)
Gross profit		**50,874**	55,411
Administrative expenses		**(43,037)**	(46,473)
Other operating income		**550**	550
Operating profit	5	**8,387**	9,488
Finance costs	8	**(4,631)**	(4,911)
Profit before taxation		**3,756**	4.577
Income tax expense	9	**-**	-
Profit and total comprehensive income for the year		**3,756**	4,577

All amounts related to continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

DHL Aviation (UK) Limited

Statement of financial position
As at 31 December 2020

	Note	2020 £'000	2019 £'000
ASSETS			
Fixed assets			
Property, plant and equipment	10	**206,292**	220,900
Total fixed assets		**206,292**	220,900
Current assets			
Inventories	11	**55**	35
Trade and other receivables **	12	**55,862**	47,859
Cash and cash equivalents		**1**	4
Total current assets		**55,918**	47,898
Total assets		**262,210**	268,798
LIABILITIES			
Creditors : amounts falling due within one year	13	**158,754**	169,049
Net current assets		**103,456**	99,749
Creditors : amounts falling due after one year	14	**57,023**	60,266
Provisions for liabilities	15	**20,019**	16,825
Total liabilities		**235,796**	246,140
Net assets		**26,414**	22,658
EQUITY			
Called up share capital	16	**-**	-
Retained earnings		**26,414**	22,658
Total equity		**26,414**	22,658

** (including deferred tax asset 17,389,000 (2019: 14,487,000) due in greater than one year)

The financial statements on pages 12 to 31 were approved by the board on September 2021 and signed on its behalf by:

S Aslam

S Aslam
Director
24 September 2021

DHL Aviation (UK) Limited

Statement of changes in equity
For the year ended 31 December 2020

	Called up share capital	Retained earnings	Total Equity
	£'000	**£'000**	**£'000**
Balance as at 1 January 2019	-	**18,081**	**18,081**
Profit for the financial year	-	4,577	4,577
Balance as at 31 December 2019	-	**22,658**	**22,658**
Profit for the financial year	-	**3,756**	3,756
Balance as at 31 December 2020	-	**26,414**	**26,414**

1. General Information

DHL Aviation (UK) Limited is a private company limited by shares and it is incorporated and domiciled in the United Kingdom and registered in England. The address of its registered office is Southern Hub, Unit 1, Horton Road, Colnbrook, Berkshire, England SL3 0BB.

The company operates within the logistics markets, providing services for inward, outward and transit movements of documents and freight at UK airports on behalf of the DHL Worldwide Network.

2. Statement of compliance

The individual financial statements of DHL Aviation (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 101") and the Companies Act 2006.

3. Summary of significant accounting policies

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.

(a) Basis of preparation

The financial statements of DHL Aviation (UK) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in note 3(r).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;
  (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement) for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

3. Summary of significant accounting policies (continued)

- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirement to produce a Company cash flow statement under IAS 7, 'Statement of cash flows', as the cash flows of the company are included in the consolidated financial statements of Deutsche Post A.G

(b) Going concern

On the basis of their assessment of the company's financial position and resources and financial support of Deutsche Post A.G, the directors believe that the company is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) New and amended standards adopted by the group

FRS 101 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of Deutsche Post A.G which are publicly available.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 and have had a material impact on the company.

3. Summary of significant accounting policies (continued)

(d) Foreign currencies

i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(e) Revenue

Revenue represents the amount billed for the provision of services for inward, outward and transit movements of documents and freight at United Kingdom airports on behalf of the DHL Worldwide Network during the financial year. Revenue is shown net of valued added tax and is recognised as service is provided.

(f) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

(g) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Defined contribution pension plans

The company is a member of a group defined contribution pension scheme of which all full time employees, subject to pension fund rules, are eligible to become members. Company contributions are charged against profit as incurred. The pension cost charge disclosed in note 6 represents contributions payable by the company to the fund.

Notes to the financial statements
For the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

(h) Other operating income

Other operating income represents the amount billed to parties external to group companies in relation to the sub-lease of rented premises, exclusive of value added tax.

(i) Taxation

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax is the tax expected to be payable on taxable temporary differences or recoverable on deductible temporary differences.
Temporary differences are differences between the company's carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

The company has entered into an agreement regarding UK corporation tax payments and refunds with Exel Limited, a fellow group undertaking.
Under the terms of this agreement Exel Limited has undertaken to discharge the current and future UK corporation tax liabilities on behalf of and benefit from any tax recoverable due to the company. The company recognises its UK corporation tax payable/recoverable and deferred tax liabilities/assets but as such liabilities/assets are indemnified by Exel Limited an indemnification asset for the amount due from/to Exel Limited is also recognised in the statement of financial position until the amount is settled/recovered on the company's behalf. The net tax charge on the profit or loss on ordinary activities that has been indemnified by Exel Limited is netted against the indemnification amount due from Exel Limited in the statement of comprehensive income.

As a result of the above agreement with Exel Limited the company will not benefit from the reversal of deferred tax assets and consequently these are not recognised in the financial statements.

3. Summary of significant accounting policies (continued)

(j) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and costs attributable to bringing the assets to its working condition.

Depreciation is provided at rates calculated to write-off the cost of fixed assets, less their estimated residual value, over their expected useful economic lives on the following bases:

Long leased assets	-	straight line over lease term or remaining useful life
Leasehold improvements	-	straight line over remaining useful life of asset or lease term, whichever is shorter
Furniture and fittings	-	10% straight line
Computer equipment	-	33.3% straight line
Machinery and other equipment	-	20% straight line

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

(k) Leases

A lease is a contract in which the right to use an asset (the leased asset) is granted for an agreed-upon period in return for compensation.

Since 1 January 2018, the Company as lessee has recognised at present value assets for the right of use received and liabilities for the payment obligations entered into for all leases in the balance sheet. Lease liabilities include the following lease payments:

- Fixed payments, less incentives offered by the lessor;
- Variable payments linked to an index or interest rate;
- Expected residual payments from residual value guarantees;
- The exercise price of call options when exercise is estimated to be sufficiently likely and
- Contractual penalties for the termination of a lease if the lease term reflects the exercise of a termination option.

Leases payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate.
Right-of-use assets are measured at cost, which comprises the following:

3. Summary of significant accounting policies (continued)

(k) Leases (continued)

- Lease liability;
- Lease payments made at or prior to delivery, less lease incentives received;
- Initial direct costs and
- Restoration obligations.

Right-of-use assets are subsequently measured at amortised cost. They are depreciated over the term of the lease using the straight-line method.

The Company makes use of the relief options provided for leases of low-value assets and short-term leases (being those shorter than 12 months duration) and expense the payments in the statement of comprehensive income according to the straight-line method. Furthermore, the new rules are not applied to leases on intangible assets. The Company also exercises the option available for contracts comprising lease components as well as non-lease components not to split these components, except in the case of real estate.

Extension and termination options exist for a number of leases, particularly for real estate. Such contract terms offer the Company the greatest possible flexibility in doing business. In determining lease terms, all facts and circumstances offering economic incentives for exercising or not exercising termination options are taken into account. Changes due to the exercise or non-exercise of such options are considered in determining the lease term only if they are sufficiently probable.

(l) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

(m) Inventories

Inventories are stated at the lower of cost and estimated selling price less cost to complete and sell and consists of consumables. Where necessary, provision is made for obsolete stock. Inventories are valued using the FIFO method of valuation.

3. Summary of significant accounting policies (continued)

(n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(o) Accrued revenue

Accrued revenue primarily represents unbilled elements of parcel delivery services provided in the period.

(p) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(q) Financial instruments

The company has chosen to adopt FRS 101 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price 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.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

3. Summary of significant accounting policies (continued)

(q) Financial instruments (continued)

i) Financial Liabilities
Basic financial liabilities, including trade and other payables and loans from fellow group companies 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 amortised 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

-The company does not hold or issue derivatives financial instruments.

iii) Offsetting

Financial assets and liabilities are offset and the net amount 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.

(r) Related party transaction

The company has taken advantage of the exemptions as provided by paragraph 17 of IAS 24 in FRS 101 from disclosing related party transactions with wholly owned entities that are part of the Deutsche Post A.G group or investees of the Deutsche Post A.G group. The company discloses transactions with related parties which are not wholly owned with the same group in note 19.

(s) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. There are no such material adjustments made for the current reporting year.

3. Summary of significant accounting policies (continued)

(s) Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of property, plant and equipment and note 3(j for the useful economic lives for each class of asset.

Right of use assets

In recognising the value of right of use assets on the balance sheet, management is required to determine the most likely course of action with regard to the exercising of options. In forming their opinion, reference is made to the long-term strategic plans of the Company. Changes to this strategy may result in changes to the carrying value of these assets.

4. Revenue

Revenue represents the amount billed for the provision of services for inward, outward and transit movements of documents and freight at United Kingdom airports on behalf of the DHL Worldwide Network during the financial year.

	2020 £'000	2019 £'000
United Kingdom	**134,873**	138,596
	134,873	138,596

5. Operating profit

Operating profit is stated after charging:	2020	2019
	£'000	£'000
Depreciation of property, plant and equipment:		
- owned by the company	12,197	12,116
- Right of use Assets by the company	3,747	4,074
Auditors' remuneration –audit fee	42	40
Auditors' remuneration – non audit fee	2	2

6. Staff costs

Staff costs were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	73,375	72,170
Social security costs	6,360	6,058
Other pension costs (note 17)	3,151	2,835
	82,886	81,063

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

	2020	2019
By activity	Number	Number
Senior management	10	9
Administration	60	54
Operations	2,211	2,524
	2,281	2,587

DHL Aviation (UK) Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

7. Directors' emoluments

	2020 £'000	2019 £'000
Aggregate emoluments	**495**	**392**
Company pension contributions to defined contribution pension schemes	**21**	**21**
	516	**413**

Retirement benefits are accruing to 2 directors (2019: 1) under a defined contribution pension scheme.

Company pension contributions for these directors were £21,000 (2019 £21,000).

Highest paid director

The highest paid director's emoluments were as follows:

	2020 £'000	2019 £'000
Aggregate emoluments	**182**	135
Company pension contributions to money purchase pension schemes	**16**	16
	198	151

8. Finance costs

	2020 £'000	2019 £'000
Interest payable to Exel Limited (other group undertaking)	**2,063**	2,352
In-house bank	**(4)**	54
IFRS16 leases	**2,401**	2,505
Discounting provision interest	**171**	-
	4,631	4,911

The loan from Exel Limited attracts interest at variable rates and which is unsecured and repayable on demand.

Notes to the financial statements (continued)
For the year ended 31 December 2020

9. Income tax expense

A fellow group undertaking, Exel Limited, has undertaken to discharge the company's liability to UK corporation tax. The company has also agreed that Exel Limited will benefit from any tax recoverable. The indemnification asset arising under this agreement, if any, is disclosed in other receivables.

The tax charge is based on the results for the year end and comprises:

	2020 £'000	2019 £'000
UK Corporation tax at 19% (2019:19%)		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred taxation		
Origination and reversal of timing differences	471	280
Impact of changes in tax rates	1,781	(19)
Adjustments in respect of prior years	650	(64)
Movement on UK deferred tax indemnified by Exel Limited	(2,902)	(197)
Total deferred tax	-	-
Income tax expenses	-	-

Factors affecting tax charge for year

The tax assessed for the year differs from (2019: differs from) the standard rate of corporation tax in the United Kingdom of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before taxation	3,756	4,577
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	714	870
Effects of:		
Expenses not allowable for UK tax	699	766
Effect of IFRS 16 adjustments	-	(780)
Movement on UK deferred tax	188	146
Impact of changes in tax rates	1,781	(19)
Group relief claimed from other group companies	(1,130)	(732)
Adjustment in respect of prior years	650	(64)
Movement on UK deferred tax on recognition of future gains rolled over/held over indemnified by Exel Limited	(2,902)	(197)
Total tax for the year	-	-

9. Income tax expense (continued)

Tax rate changes

Factors that may affect future tax charges:

The standard rate of corporation tax is 19% (2019: 19%). Changes to the UK corporation tax rates were published in the Finance Bill 2021 on 11 March 2021. These include increases to the main rate of corporation tax to 25% effective from 1 April 2023. The Finance Bill 2021 was substantively enacted in May 2021.

Deferred tax

A summary of the company's deferred tax liability is as follows:

	2020	2019
	£'000	£'000
Accelerated capital allowances in excess of depreciation	**(10,407)**	(8,408)
Other timing differences	**76**	68
Rolled over/held over gains	**(7,058)**	(6,147)
Net deferred tax liability	**(17,389)**	(14,487)

Deferred tax has been calculated at 19% (2019: between 17% and 19%).

The company had a net deferred tax liability at 31 December 2020 of £17,389,000 (2019: 14,487,000), which has been recognised in the financial statements (note 15). A fellow group undertaking, Exel Limited, has agreed to indemnify the company against its current and future liabilities to UK corporation tax, and accordingly an indemnification asset due from Exel Limited equal to the deferred tax liability has been recognised in the statement of financial position (note 12). No significant reversal of the deferred tax liability is expected in 2020.

Finance Bill 2021 increased the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24th May 2021.
The impact of the change in rate is to increase the deferred tax liability to £22,904,000. The deferred tax balances in the statutory accounts are measured at 19% as this was the tax rate in force at the balance sheet date.

10. Property, plant and equipment

	Long leased assets & building £'000	Leasehold improvements £'000	Furniture and fittings £'000	Computer equipment £'000	Machinery and other equipment £'000	Assets under construction £'000	Total £'000
Cost							
At 1 January 2020	166,091	11,578	1,280	2,948	98,401	2,178	282,476
Additions	2,540	1,165	21	384	209	1,291	5,610
Transfer from Assets under construction	-	114	-	50	1,353	(1,462)	55
Disposals	(3,708)	-	-	-	(830)	(43)	(4,581)
At 31 December 2020	**164,923**	**12,857**	**1,301**	**3,382**	**99,133**	**1,964**	**283,560**
Accumulated depreciation							
At 1 January 2020	28,227	4,337	522	1,353	27,137	-	61,576
Charge for the year	6,499	1,116	96	695	7,539	-	15,945
Disposals	(12)	-	-	-	(241)	-	(253)
At 31 December 2020	**34,714**	**5,453**	**618**	**2,048**	**34,435**	**-**	**77,268**
Net book amount							
At 31 December 2020	**130,209**	**5,453**	**683**	**1,334**	**64,698**	**1,964**	**206,292**
At 31 December 2019	137,864	7,241	758	1,595	71,264	2,178	220,900

10. Property, plant and equipment (continued)

Leases – Right-of-use assets

The right-of-use assets carried as non-current assets resulting from leases are presented separately in the following table:

	Long leased assets	Machinery and other equipment	Total
	£000	**£000**	**£000**
Carrying value at 1 January 2020	60,521	2,129	62,650
Additions during the year	2,540	-	2,540
Disposals during the year	(3,708)	(240)	(3,948)
Depreciation on disposals	12	240	252
Depreciation and impairment losses	(2,940)	(807)	(3,747)
Right-of-use assets carrying amount at 31 December 2020	**56,425**	**1,322**	**57,747**

11. Inventories

	2020	2019
	£'000	£'000
Consumables	**55**	35

The amount of inventories recognised as an expense during the year was £20,000 (2019: £2,000). There is no material difference between the carrying amount of inventory and the replacement cost.

12. Trade and other receivables

	2020	2019
	£'000	£'000
Trade receivables	**296**	331
Amounts owed by group undertakings	**30,733**	25,289
Other receivables	**22,613**	21,275
Prepayments and accrued income	**2,220**	964
	55,862	47,859

Amounts owed by group undertakings are trade related, are non interest bearing, unsecured and repayable on demand. Included in Other receivables is the indemnification asset of £17,389,000 (2019: £14,487,000) due from Exel Limited for the company's UK deferred tax liability, which will fall due after more than one year.

13. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade payables	**2,208**	12,945
Amounts owed to group undertakings	**3,661**	4,608
Net obligations payable – Exel Limited loan	**135,045**	135,104
Taxation and social security	**2,230**	1,358
Accruals and deferred income	**11,777**	11,863
Lease liabilities	**3,833**	3,171
	158,754	169,049

Amounts owed to group undertakings are trade related, are non interest bearing, unsecured and repayable on demand.

Obligation payable to Exel Limited attracts interest at variable rates, is unsecured and repayable on demand.

14. Creditors: amounts falling due after more than one year

	2019 £'000	2019 £'000
Lease liabilities	**57,023**	60,266
	57,023	60,266

15. Provisions for liabilities

	Discounting provision interest £'000	Deferred tax £'000	Dilapidation costs £'000	Total £'000
At 1 January 2020	-	14,487	2,338	16,825
Charged to the statement of comprehensive income	171	-	121	292
Charged to the statement of financial position	-	2,902	-	2,902
At 31 December 2020	**171**	**17,389**	**2,2,459**	**20,019**

DHL Aviation (UK) Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

15. Provision for liabilities (continued)

The company had a potential net deferred tax liability at 31 December 2020 of £17,389,000: 14,487,000), which has been recognised in the financial statements. A fellow group undertaking, Exel Limited, has agreed to indemnify the company against its current and future liabilities to UK corporation tax. Consequently the indemnification asset due from Exel Limited equal to the deferred tax liability has been recognised in the balance sheet under "other receivables".

The net deferred tax liability is not expected to reverse in 2021.

Dilapidation costs

The dilapidation provision relates to the estimated costs associated with the company's obligations to reinstate leased buildings to their original state. The property leases have expiry dates that range from 2019 to 2075.

16. Called up share capital

	2020	2019
	£	£
Authorised, issued, allotted and fully paid		
100 ordinary share of £1 each (2019:100)	**100**	100

There is a single class of ordinary shares. There are no restrictions on the distribution of capital and the repayment of capital.

17. Pensions

The company participated in a group defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost disclosed in note 6 represents contributions payable by the company to the fund. At 31 December 2020, there was an accrual for contributions of £411,000 (2019: £Nil) in relation to this scheme.

18. Related party transactions

The company has taken advantage of the exemption from providing certain related party transaction disclosures as mentioned in the accounting policy.

There are no additional pensions or emoluments that are paid to related parties other than those disclosed for employees and directors presently in note 6.

19. Ultimate parent undertaking and controlling party

The immediate parent undertaking is DHL Distribution Holdings (UK) Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Deutsche Post A.G, a company incorporated in Germany, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Deutsche Post A.G may be obtained from Deutsche Post A.G, Platz der Deutschen Post, Charles-de-Gaulle Strasse 20, 53250 Bonn, Germany.