

Deutsche Post Global Mail (UK) Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered number: 02104109



Deutsche Post Global Mail (UK) Limited

Annual report for the year ended 31 December 2021

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Deutsche Post Global Mail (UK) Limited

Directors and advisers

Directors

A Cooper
S Mandeville
A Tiemens
O Sukowski

Registered number - 02104109

Registered office

DHL
Hurricane Way
Axis Park
Langley
Slough
SL3 8AG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
40 Clarendon Road,
Watford, Hertfordshire
WD17 1JJ

Deutsche Post Global Mail (UK) Limited

Strategic report for the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activities and business review

The principal activity of the company is the provision of international mail and parcel distribution.

The directors are pleased with the development of the business and are very optimistic about the company's future prospects. Revenue has grown by 10% in comparison to 2020 with increased cross border volume some of which is driven by the COVID-19 lockdown restrictions increasing e-commerce traffic.

Gross profit increased in 2021 by 22% when compared to prior year mostly due to better control of transportation cost.

The overall operating profit has increased to £14,682,126 (2020: £12,140,926) due to increase in management fees and transportation explained earlier.

Net assets have increased to £18,191,000 (2020: £11,429,000). A dividend of £8,000,000 (2020: £10,000,000) was paid during the year.

Business environment

Deutsche Post Global Mail (UK) Limited competes in the international mail and parcel distribution market.

The traditional mail market has been in decline for a number of years now, however the company has managed to achieve its expectations. The growth area of the market is in the e-commerce sector both in developed and emerging markets. This is a highly competitive sector with some strong opportunities. The business also has a focus on advertising the mail services business to Germany where it has a strong competitive advantage.

Strategy

Deutsche Post Global Mail (UK) Limited is aiming to drive organic growth through strong customer loyalty. This is based on the "First Choice" philosophy of Deutsche Post DHL Group, which cultivates a culture where excellence and constant improvement are at the centre of our decision making process. The aim is to become and remain the first choice for all customers.

In line with this, the business aims to continue to grow volumes with existing customers and look for new customers and opportunities in the rapidly growing cross border e-commerce sector.

Future developments

The directors believe that future prospects remain positive, with the company well placed to continue to compete and take advantage of new opportunities within the market.

Key performance indicator ("KPI")

The company has met its key objective for 2021 to produce an operating profit before amortisation.

KPI	2021 £'000	2020 £'000	Definition, method of calculation and analysis
Operating profit before amortisation	15,647	13,108	Operating profit before amortisation is considered to be the appropriate indicator of managed performance. This increase in operating profit is mainly due to the business successfully taking advantage of the opportunities within the growing e-commerce sector and increase in volumes in the sales channel under the mail business.

Strategic report for the year ended 31 December 2021 (continued)

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 regularly reviewed and appropriate processes are put in place to monitor and mitigate them. The key business risks affecting the company in addition to the main mitigation actions taken are set out below.

Risk to information systems

Any prolonged interruption to the company's IT systems could have a material adverse effect on operations. Management continues to invest in their IT structure and active risk management processes are in place to minimise downtime. Software is updated regularly to address issues, close potential gaps in security and increase functionality. Employees have access only to relevant areas and all data are backed up on a regular basis and critical data are kept outside the premises.

Price risk

The company is exposed to commodity price risk as a result of its operations, principally fuel price exposures. The company has a policy of ensuring that volatility in fuel prices (to manage the exposure to commodity price risk) is underwritten where possible in customer tariffs and arrangements. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. Furthermore, the company faces foreign exchange risks (as well as opportunities) which are covered centrally by group as appropriate.

Brexit

The UK left the European Union on the 31st of December 2020. The company has done a great deal of work and is in a good shape with regards to being able to respond to Brexit. Despite our initial concerns about the possible impact Brexit may have on the business, we have not seen any real downturn in the business due to Brexit. We had some delays in late 2020 through early 2021 but we managed to find a suitable solution for most of our customers with little disruption although we lost a few customers. Like all businesses, we are adapting to whatever legal changes develop but we have always been very flexible and ready to adapt to and adopt any relevant changes. The year 2021 after Brexit went well with strong sales and little disruption to the business.

As a general principle, Deutsche Post DHL Group is accustomed to dealing with political, regulatory, social and economic changes around the world. We are confident that we can make any necessary short and mid-term adjustments that are needed to ensure that disruption to our operations is averted and that customers continue to receive the seamless service they have come to enjoy from us. In the long term we are keen to work with the UK Government to ensure that cross border trade is not disrupted, that stability and confidence in the international supply chain is maintained, and that any concerns our employees might have are addressed.

Deutsche Post Global Mail (UK) Limited

Strategic report for the year ended 31 December 2021 (continued)

S172 Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefits of its members as a whole. In doing this s172 requires a director to have regard, among other matters, to the:

- Likely consequences of any decisions in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

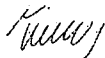
This statement intends to set out how the Board of Directors, both individually and collectively, has taken into consideration the above matters when undertaking their duties during the year in discharging their s172 duties. The aim of the directors is to act fairly and in the best interests of the company over the long term. In making their decisions the directors also consider any associated risks when discharging their duties. Please see summary above for the company's principal risks and uncertainties surrounding the business.

The principal decisions of the Board are those that have a potentially material impact on the company's long term performance, value creation or a stakeholder group. The Board's principal activities during the year covered (i) review of monthly financial performance, (ii) approval of the annual budget, (iii) monitoring funding available to the business, (iv) review of progress in key actions of the executive management, and (v) review of specific matters that are reserved for the Board (set out in the reserved matters of our shareholder agreement).

We identify our key stakeholders as our employees, customers, suppliers, shareholders and regulators with whom we work. There was no principal decision of the Board that impacted our stakeholders during the year.

Please see directors' report for details on how the company engages with each of these stakeholders.

On behalf of the Board



Andreas Tiemens
Director
20 December 2022

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

Results and dividends

In the opinion of the directors the financial statements give a fair review of the development of the business during the year and of its position at the end of the year.

	2021 £'000	2020 £'000
Profit for the financial year	<u>14,762</u>	<u>12,047</u>

A dividend of £8,000,000 was paid during the year (2020: £10,000,000).

Going concern

The company has received a commitment of financial support from its ultimate parent undertaking, Deutsche Post AG, and, therefore the directors have a reasonable expectation that the company has adequate resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date the financial statements are signed. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Management continues to monitor the impact that the COVID-19 pandemic is having on the Company.

Nonetheless, out of concern for our employees and pursuant to the government order, Deutsche Post Global Mail (UK) Limited has continued adhering to social distancing rules. We continue to follow advice from health professionals and to observe Government guidelines on social distancing. We will review this situation regularly in line with official instructions.

We have also adjusted our business model, SOPs, work instructions and enabled our customers to interact with the business in a dynamic, engaging way. Introduced additional storage solutions that in turn offered queuing options allowing shipments to be uplifted as soon as a lane opened from embargo. Created a network transport solution to support customers by offering collections and deliveries into our facilities, not only to the final mile to/from airports but end to end. Restructured the operational and functional management teams to be able to effectively respond and manage exceptional demands and capacity.

Working with customers to optimise their network operation drawing from our expertise and capabilities across the industry. Aiming to create an environmental sustainability schedule and operating model to make a positive environmental impact for our customers and the sector in which we operate. Changed our engagement and communications standards with our customers for them to be more inclusive in decision making on shipping options.

Reduced and optimised operating cost base to compensate for surcharges and that has also allowed for increased margin yet offering a competitive rate to customers. We have increased prices where possible to cushion the negative impact of volume decline and can confirm that as of the time of filing both our revenue and EBIT continues to grow against forecast and prior year. Introduced enhanced payment monitoring with early warning on potential risks and to date we have no significant delay in payment of our billed invoices, nor do we have any current issues with cash flow.

Government initiatives or schemes have not been taken up by the company and no employee furloughed during the year.

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined energy and carbon reporting

We recognise that we have a responsibility to the environment and endeavour to be as environmentally friendly as possible in our business activities.

The environmental impact of our operations

We recognise our responsibility to mitigate the impact of our operations on climate change and are taking steps to reduce this wherever possible. As part of our Go Greener initiative, QPDHL has a target to become carbon neutral by 2050, and like many businesses around the globe we are looking for ways to become more environmentally friendly and find cleaner and greener ways to operate.

During 2020 the company has installed electric vehicle charge points in our facilities. This has enabled employees to take up hybrid/electric cars. Regular companywide email and poster communications are issued to educate employees about ways to reduce carbon emissions. Furthermore, DPDHL has recently committed to spending €7 billion up to 2030 in clean operation initiatives.

Energy Use and Greenhouse Gas Emissions

	Tonnes CO ₂ e 2021	Tonne sCO ₂ e 2020
Scope 1 energy use & emissions from transport	21.56	40.39
Scope 2 energy use & emissions from electricity	20.04	21.45
Scope 3 energy use from business mileage.	2,089.01	1,901
	2,130.61	1,962.84
	Energy Use kWh 2021	Energy Use kWh 2020
Scope 1 energy use & emissions from transport	25,058	46,942
Scope 2 energy use & emissions from electricity	23,291	24,940
Scope 3 energy use from business mileage.	7,560,056	6,879,651
Total energy use & greenhouse gas emissions	7,608,405	6,951,533
Greenhouse gas emissions per £1,000 revenue	46.29	46.70

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined energy and carbon reporting continued

Methodology

The scope 1 transport emissions are driven by company car fuel usage records.

Our Scope 2 energy use and greenhouse gas emissions data for 2021 and 2020 has been calculated from data independently provided by our suppliers to identify the amount of energy used in our operations. The Company uses the most robust and accurate data source available for each component of its energy use and carbon emission calculations.

For Scope 3 emissions caused by the business activities of Deutsche post Global Mail (UK) Limited the following sources of emissions are relevant:

- Road Transport (both for domestic and cross border transportation)
- Air Transport (domestic and cross border transportation from the US and cross border from Asia (w/o India))

*2020 scope 3 comparatives have been restated.

Data for emissions caused by air transport are gathered manually (Excel spreadsheets) from the operational units within the various countries in which DHL companies are active.

Greenhouse gas (GHG) emissions are calculated in line with GHG Reporting Protocol - Corporate standard and reported in line with the UK Government's Guidance on Streamlined Energy and Carbon Reporting ("SECR") and mandatory GHG reporting guidance.

Otherwise there is 100% alignment with our financial reporting. 100% of our energy consumption and carbon emissions declared are UK based.

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021 (continued)

Stakeholder engagement

Engaging and building trust with the broad range of stakeholders that interact with, or are impacted by, our business is key to delivering our strategy and ensuring our success over the long term.

Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. We set out in the following table our key stakeholder groups, their material issues and how the Company engage with them. Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships.

Shareholders	<p>The support of our shareholders is vital to the long-term performance of the company.</p> <p>What matters</p> <ul style="list-style-type: none"> Financial performance and commercial success Company's recurring contract revenue or "Book of Business" Identify opportunities for growth/expansion Understanding how our R&D strategy and initiatives can drive growth <p>How we engage</p> <ul style="list-style-type: none"> Monthly board meetings & reports Shareholder reporting Regular meetings, calls and site visits Annual financial statements Annual budget Corporate website <p>What we are doing</p> <ul style="list-style-type: none"> Monthly board meetings to ensure that our shareholders understand our strategy and performance
Customers	<p>A key focus for the company is that we are trusted to deliver a productivity, quality and compliance benefit to our customers.</p> <p>What matters</p> <ul style="list-style-type: none"> Understand customer specific needs in relation to their shipping and mailing requirements Service performed safely and to a high standard Service undertaken when scheduled and Efficiency of service Data security of information <p>How we engage</p> <ul style="list-style-type: none"> Regular customer contact through our account managers Response to customer complaints to secure long-term business Direct marketing and communications Corporate website <p>What we are doing</p> <ul style="list-style-type: none"> Strengthening our transport options and combinations to meet customer requirements and ensure we maintain high standards for service quality and timely delivery. Management of ongoing customer relationships by reviewing customer retention and service realisations statistics

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021 (continued)

Stakeholder engagement (continued)

Employees	<p>We involve and listen to employees to help us maintain strong employee engagement and retain talented people.</p> <p>What matters</p> <ul style="list-style-type: none"> Training, development and prospects Health and safety and working conditions Diversity and equal opportunities Fair pay & benefits Tools to do the job <p>How we engage</p> <ul style="list-style-type: none"> Employee engagement survey for employees to provide feedback Workforce communications via various forms of media Ethical code-of-conduct Confidential reporting via phone and email <p>What we are doing</p> <ul style="list-style-type: none"> Monitoring employee engagement through the employee survey and acting on feedback to improve engagement Monitoring and acting on workplace health and safety matters
Governing bodies and regulators	<p>We work with our regulators to ensure we comply with the relevant regulatory obligations. The principle regulatory bodies that we work with are, environmental, health and safety, and taxation.</p> <p>What matters</p> <ul style="list-style-type: none"> Compliance with environmental, health and safety regulations Technical compliance Compliance with workers' pay and conditions <p>How we engage</p> <ul style="list-style-type: none"> Regular contact and discussion with regulators We seek to deal with tax authorities in an open and collaborative manner Corporate website Annual statutory accounts <p>What we are doing</p> <ul style="list-style-type: none"> Regular reports from our business on regulatory issues and engagement, especially around the security of mail transportation, Maintaining open relationships with regulators and tax authorities
Suppliers	<p>We work with a number of key suppliers, who provide various services to us including services integral to our customers.</p> <p>What matters</p> <ul style="list-style-type: none"> Success of the Group Opportunities to innovate and grow the relationship Payment terms <p>How we engage</p> <ul style="list-style-type: none"> Regular direct engagement Collaborative working meetings <p>What we are doing</p> <ul style="list-style-type: none"> We work closely with each supplier to ensure service required are anticipated in advance of eventual use of service by our customers Conducting business with suppliers who share our high-quality standards to ensure security of services provided

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021 (continued)

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk and liquidity risk. The company does not use derivative financial instruments.

The policies approved by the Board of Directors, which are consistent with Deutsche Post AG financial risk policies, are implemented by the company's finance department.

Credit risk

The company has policies in place that require appropriate credit checks on potential customers before sales are made, and on a regular basis thereafter. Debt finance is not utilised. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed monthly.

Liquidity risk

The company's debt profile is largely short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has interest bearing liabilities arising from borrowings from fellow subsidiary undertakings at market rates. The directors will review the appropriateness of this policy should the company's operations change significantly in size or nature, or the Deutsche Post AG policies for financing group undertakings change.

Future developments

See the strategic report (page 2) for details of the company's future developments

Directors' indemnities

The company maintains liability insurance for its directors and officers. The company also 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.

Directors

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

A Cooper

A Tiemens

O Sukowski

S Mandeville

T Domson (resigned 17th of June 2022)

Deutsche Post Global Mail (UK) Limited

Directors' report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities in respect of the Annual Report and 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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 independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



Andreas Tiemens
Director
20 December 2022

Deutsche Post Global Mail (UK) Limited

Independent auditors' report to the members of Deutsche Post Global Mail (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Deutsche Post Global Mail (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 balance sheet as at 31 December 2021; the statement of income and retained earnings 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

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.

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.

Deutsche Post Global Mail (UK) Limited

Independent auditors' report to the members of Deutsche Post Global Mail (UK) Limited (continued)

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 2021 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 Annual Report and 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.

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.

Deutsche Post Global Mail (UK) Limited

Independent auditors' report to the members of Deutsche Post Global Mail (UK) Limited (continued)

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 the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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
- Reviewing correspondence with and reports to relevant authorities;

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.

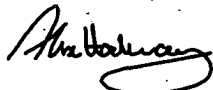
Other required reporting

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

20/12/2022

Deutsche Post Global Mail (UK) Limited

Statement of Income and Retained Earnings for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover	4	164,350	148,869
Cost of sales		(141,706)	(130,373)
Gross profit		22,644	18,496
Administrative expenses		(7,962)	(6,355)
Operating profit	5	14,682	12,141
Interest receivable and similar income		110	9
Interest payable and similar expenses		(30)	(103)
Profit before taxation		14,762	12,047
Tax on profit	8	-	-
Profit for the financial year		14,762	12,047
Retained earnings 1 January		11,407	9,360
Profit for the financial year		14,762	12,047
Dividend paid in the year		(8,000)	(10,000)
Retained earnings 31 December		18,169	11,407

The results for the current and prior year derive from continuing operations.

There are no recognised gains or losses other than the profit for the financial year of £14,762,000 (2020: profit £12,047,000, and therefore no separate statement of total other comprehensive income has been presented.


The notes on pages 17 to 33 form part of these financial statements.

Deutsche Post Global Mail (UK) Limited

Balance sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	9	-	965
Tangible assets	10	18	40
		18	1,005
Current assets			
Debtors	11	44,173	32,277
Total current assets		44,173	32,277
Creditors: amounts falling due within one year	12	(25,993)	(21,817)
Net current assets		18,180	10,460
Total assets less current liabilities		18,198	11,465
Provisions for liabilities	13	(7)	(36)
Net assets		18,191	11,429
Capital and reserves			
Called up share capital	16	22	22
Retained earnings		18,169	11,407
Total equity		18,191	11,429

The financial statements on pages 15 to 33 were approved by the board of directors and authorised for issue on the 20th of December 2022 and are signed on its behalf by:



Andreas Tiemens
Director

Registered number: 02104109

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021

1. General information

Deutsche Post Global Mail (UK) Limited ("the company") provides the services for distribution of international mail and parcel.

The company is a private company limited by shares incorporated and domiciled in the United Kingdom.

2. Statement of compliance

The individual financial statements of Deutsche Post Global Mail (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)

3. Summary of significant accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 20.

Basis of preparation

The financial statements are prepared under the historical cost convention on a going concern basis and in accordance with the Companies act 2006 and applicable UK accounting standards.

Going concern

At 31 December 2021, the company had net assets of £18,191,000 (2020: £11,429,000). The company's business activities, together with the factors likely to affect its future development, its financial position and its key risks and uncertainties are described in the strategic report on pages 2 and 3.

The company has received a commitment of financial support from its ultimate parent undertaking, Deutsche Post AG, and, therefore the directors have a reasonable expectation that the company has adequate resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date the financial statements are signed. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemptions under FRS 102 paragraph 1.12 (b) from preparing a cash-flow statement, on the basis that it is a qualifying entity and its ultimate parent company, Deutsche Post AG includes the company's cash flow in its consolidated financial statements. Details of the address from which the financial statements can be obtained are included in note 19. In addition the company has taken advantage of exemptions from disclosing related party transactions and non-disclosure of key management compensation.

Turnover recognition

Turnover comprises the value of charges for the sale of services to third parties. Turnover is recognised when services have been completed, this is when the delivery arrives at its destination. Turnover excludes value added tax and equivalent taxes, duty and other disbursements made on behalf of customers and intercompany transactions.

Rebates are accounted for as a deduction from turnover where there is certainty that the contractual arrangements giving rise to the rebate have been met.

Goodwill

Purchased goodwill is capitalised and amortised by equal annual instalments through the profit and loss account over the directors' estimated useful life of up to 20 years. The company's policy prior to 1 January 1998 was to eliminate goodwill arising on acquisitions against reserves. Under the provisions of FRS 102, such goodwill will remain written off to reserves until disposal or termination of the previously acquired business, when the profit or loss on the disposal or termination will be calculated after charging the gross amount of any such goodwill. The carrying value of goodwill is reviewed by the directors for impairment at the end of the first full year after an acquisition and at other times if circumstances indicate that it may not be recoverable.

Tangible assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase cost and all cost directly attributable to bringing it into a condition for its intended use.

Depreciation of tangible fixed assets is charged evenly over their estimated useful lives at the following rates:

Fixtures and fittings	3-10 years
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Assets that are not expected to be held for the whole of their useful lives are written down to estimated residual values at disposal. The carrying values of tangible fixed assets are reviewed for impairment if circumstances indicate that they may not be recoverable.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Summary of significant accounting policies (continued)

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) 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 cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use.

Taxation

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 period 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.

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.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet 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 and deferred tax liabilities, but as such liabilities are indemnified by Exel Limited, an indemnification asset for the amount due from Exel Limited is also recognised in the balance sheet until the amount is settled 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 profit and loss account.

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.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Summary of Significant Accounting Policies (continued)

Pensions

The Deutsche Post Group maintains UK pension schemes; both defined benefit and defined contribution.

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. See note 14 for more details on the company's defined benefit scheme.

The company also 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Foreign currency translation

All transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the balance sheet date. Exchange differences arising on foreign currency transactions are included in the profit and loss account. The company's financial and presentational currency is the pound sterling.

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, 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.

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 profit or loss.

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 profit or loss.

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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) 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.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

(ii) Financial 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 amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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. Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Related party transactions

The company has taken advantage of the exemptions as provided by section 33.1A of FRS 102 from disclosing related party transactions with wholly owned entities that are part of the Deutsche Post AG group or investees of the of the Deutsche Post AG group.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Summary of significant accounting policies (continued)

Critical accounting judgements and estimation uncertainty

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Impairment of debtors

The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including current credit rating, ageing profile of the debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

b. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to change in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed regularly. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See note 10 for the carrying amount of the property, plant and equipment and the tangible fixed assets and depreciation section of this note for the useful economic lives of each class of assets.

c. Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 14 for the disclosures relating to the defined benefit pension scheme.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

4. Turnover

Turnover relates to the company's principal activity, which the directors consider constitutes a single class of business. The geographical origin of turnover was the United Kingdom.

5. Operating profit

The following amounts have been (credited)/charged in arriving at the operating profit:

	2021 £'000	2020 £'000
Staff costs:		
Wages and salaries	2,514	2,294
Social security costs	233	55
Other pension costs	104	128
Total staff cost charged to the statement of income	2,851	2,477
Goodwill amortisation	965	966
Depreciation	23	70
Operating lease charges	266	192
Impairment of trade receivables	(69)	(152)
Auditors' remuneration – audit fees	58	52
Exchange loss / (gain)	347	(25)

6. Directors' emoluments

	2021 £'000	2020 £'000
Aggregate emoluments (including benefits in kind)	263	269
Company pension contributions to money purchase scheme	50	32
	313	301

During the year under review retirement benefits were accruing to two directors (2020: two) under a defined contribution scheme. In addition, the emolument of Oliver Sukowski and Andreas Tiemens is paid by Deutsche Post AG, no recharge is made to the company. These directors are also directors of other associated DHL entities and it is not possible to make an accurate apportionment of their emoluments in respect of each entity.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

Directors' emoluments (continued)

Highest paid director	2021 £'000	2020 £'000
Aggregate emoluments (including benefits in kind)	156	145
Company pension contributions to money purchase scheme	12	11
	168	156

7. Employees

The average monthly number of persons employed during the year was as follows:

	2021 Number	2020 Number
By activity		
Administrative	24	24
Sales/marketing	17	18
	41	42

Details in respect of employee costs are included in note 5.

Deutsche Post Global Mail (UK) Limited

8. Tax on profit

Tax expense included in statement of Income and Retained Earnings

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 debtors.

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on profit for the year	1,533	-
UK current tax charge indemnified by Exel Limited	(1,533)	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(78)	(12)
Impact of changes in tax rates	(8)	-
Adjustment in respect of prior years	(3)	(3)
Movement on UK deferred tax not recognised	89	15
Total deferred tax	-	-
Total tax per Statement of Income and Retained Earnings	-	-

Deutsche Post Global Mail (UK) Limited

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

8. Tax on profit (continued)

Reconciliation of tax charge

The tax assessed for the year differs (2020: 19%) from the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

	2021 £'000	2020 £'000
Profit before taxation	14,762	12,047
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	2,805	2,289
Effects of:		
Expenses not allowable for UK tax	183	184
Impact of changes in tax rates	(8)	-
Group relief claimed from other group companies	-	(2,485)
Group relief of brought forward losses claimed from other group companies	(1,533)	-
UK current tax charge indemnified by Exel Limited	(1,533)	-
Adjustments in respect of prior years	(3)	(3)
Movement of UK deferred tax not recognised	89	15
Tax charge on profit on ordinary activities	-	-

Tax rate changes.

The standard rate of Corporation Tax in the UK is 19% (2020: 19%). In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

9. Intangible assets

	Goodwill
	£'000
Cost	
At 1 January 2021	8,696
At 31 December 2021	8,696
Accumulated amortisation	
At 1 January 2021	(7,731)
Charge for the year	(965)
At 31 December 2021	8,696
Net book amount	
At 31 December 2021	-
At 31 December 2020	965

The goodwill relates to the acquisition of the World mail business on 1 January 2003 from Deutsche post Global Mail services Limited. This was transferred to Deutsche post Global Mail (UK) Ltd on the 1st of January 2013 and generated a goodwill that is amortised over 20 years.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10. Tangible assets

	Fixtures and fittings
	£'000
Cost	
At 1 January 2021	407
Additions	1
Disposal	(20)
At 31 December 2021	388
Accumulated depreciation	
At 1 January 2021	(367)
Charge for the year	(23)
Disposal	20
At 31 December 2021	(370)
Net book amount	
At 31 December 2021	18
At 31 December 2020	40

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11. Debtors

	2021	2020
	£'000	£'000
Trade debtors	24,159	22,490
Amounts owed by group undertakings	12,832	5,798
Taxation and social security	1,886	-
Prepayments and accrued income	3,763	3,989
Other debtors	1,533	-
	44,173	32,277

All amounts owed by group undertakings are unsecured, interest free and should be repaid within group intercompany credit terms, which is 30 days. Trade debtors are stated after provisions for impairment of £120,000(2020: £50,977). Other debtors due within one year include the indemnification asset of £1,533,000 (2020: £Nil) due from Exel Limited for the company's UK corporation tax liability.

Finance Act 2021 increased the main rate of corporation tax from 19% to 25% with effect from 1 April 2023.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

12. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans and overdrafts	-	8
Trade creditors	1,115	1,647
Amounts owed to group undertakings	21,452	16,001
Other creditors	65	74
Taxation and social security	1,533	1,650
Accruals and deferred income	1,828	2,437
	25,993	21,817

All amounts owed to group undertakings are unsecured, interest-free (other than for in-house bank facility within the group amounting to £19,345,000 (2020: £14,572,000) which are charged at market rate of interest) and should be repaid within groups intercompany credit terms, which is 30 days. Bank overdraft is direct debits paid by entity cleared by the in-house bank facility the next day. There is no overdraft facility available to entity from any third-party bank.

13. Provisions for liabilities

	Dilapidation provision £'000
At 1 January 2021	36
Utilised	(29)
At 31 December 2021	7

Dilapidation provision covers the costs of returning a property to conditions acceptable by the landlord. The provision relates to property with lease end dates in 2021.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14. Pensions

The company participates in contributory funded pension schemes operated by the Deutsche Post DHL Group in the United Kingdom.

The three major UK sections for employees providing services to the company are the Exel Retirement Plan ('ERP'), the Ocean Nestor Pension Section ('OCN'), the Tibbett & Britten Pension Section ('T&B'). Previously there were four main sections, however the DHL NHS Supply Chain Pension Section ("NHS") was merged into the Exel Section during 2020. In addition, a small number of staff are members of the DHL UK Pension Section ('DHL UK'). These sections are part of the DHL Group Retirement Plan ("the Plan"), including both defined benefit and defined contribution type arrangements, which is administered by external trustees independently of the Deutsche Post DHL Group's finances. These sections cover 83.7% (2020: 86.9%) of UK employees.

Actuarial valuations are carried out every three years. The latest valuations of the sections were made as at 31 March 2021 by Willis Towers Watson. The values of the sections' liabilities at 31 March 2021 have been updated by Willis Towers Watson to assess the liabilities of the sections at 31 December 2021 for the purposes of FRS 102 disclosures. The Plan's assets are stated at their market value at 31 December 2021.

A decision was made during 2013 to close all sections of the Plan, except the NHS section, to future accrual on a defined benefit basis with an effective date of 31 March 2014. A decision was made during 2019 to close the NHS section to future accrual on a defined benefit basis with an effective date of 1 April 2019. Subsequent to these dates all active members became deferred members and accrued benefits on a defined contribution basis.

At 31 December 2021 the sections were valued at a surplus of £297m (2020: £5m).

Pension contributions made in respect of employees providing services to Deutsche post Global Mail (UK) Limited were £104,000 (2020: £128,000) during the financial year relating to defined contribution schemes.

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

15. Capital and other commitments

Capital commitments

The company had no capital commitments as at 31 December 2021 (2020: £nil).

Operating leases

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods

	Other operating leases	
	2021 £'000	2020 £'000
Within one year	67	102
Within two to five years	103	56
	170	158

16. Called up share capital

All the issued shares in the company are fully paid up and rank pari passu for all purposes.

	2021 £'000	2020 £'000
Authorised		
20,000 (2020: 20,000) ordinary shares of £1 each and	20	20
1,980,000 (2020: 1,980,000) ordinary A shares of £0.001 each	2	2
	22	22
Allotted and fully paid		
20,000 (2020: 20,000) ordinary shares of £1 each.	20	20
1,980,000 (2020: 1,980,000) ordinary A shares of £0.001 each	2	2
	22	22

Dividends of £8,000,000 were paid to the parent company Deutsche post AG (2020: £10,000,000).
The Directors do not recommend a final dividend for 2021 (2020: nil)

Deutsche Post Global Mail (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

17. Deferred tax

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

	2021	2020
	Unrecognised	Unrecognised
	£'000	£'000
Decelerated capital allowances	34	27
Other timing differences	181	99
Net deferred tax asset	215	126

Deferred tax is calculated at rates between 19% and 25% (2020: 19%)

The company had a net deferred tax asset as 31 December 2021 of £215,000 (2020: £126,000) which has not been recognised in the financial statements because the company will not benefit from the reversal of deferred tax assets as a result of an agreement entered into with Exel Limited. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

18. Contingent liabilities

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the company.

For UK corporate tax purposes, the company has made collective payment arrangements with other undertakings in the Group; under these arrangements the company has a joint and several liability for amounts owed by those undertakings to HMRC.

19. Ultimate parent company and ultimate controlling party

The company's immediate parent undertaking is Deutsche Post International B.V. The company's ultimate parent undertaking and controlling party is Deutsche Post AG, a company incorporated in Germany. This is the only group of which the company is a member for which group financial statements are prepared. Copies of the financial statements of Deutsche Post AG, can be obtained from Deutsche Post AG, Headquarters, Investor Relations, 53250 Bonn, Germany.