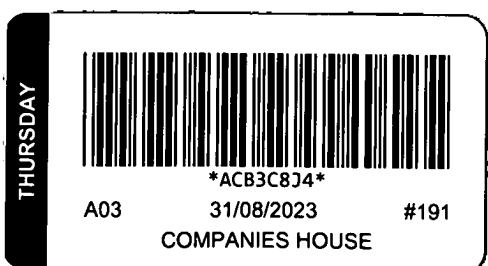


Company registration number: 02800218

UK MAIL GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2022



UK MAIL GROUP LIMITED

Contents of Report and Financial Statements

for the year ended 31 December 2022

Page	Contents
2	Strategic Report
6	Directors' Report
10	Independent Auditors' Report
14	Statement of Comprehensive Income
15	Balance Sheet
16	Statement of Changes in Equity
17	Notes to the Financial Statements

UK MAIL GROUP LIMITED

STRATEGIC REPORT

for the year ended 31 December 2022

The directors present the strategic report of the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

UK Mail Group Limited (registration number 02800218) is a private limited company by shares incorporated and domiciled in England.

The company is a wholly owned subsidiary of DHL Parcel UK Holding Limited and a member of the Deutsche Post DHL Group. The parent Company of the Deutsche Post DHL Group is Deutsche Post AG, which is registered in Bonn, Germany and entered in the commercial register of the Bonn local court. Copies of the consolidated financial statements of the Deutsche Post DHL Group can be accessed online at dpdhl.com/en/investors.

The registered office of UK Mail Group Limited is, Express House, 120 Buckingham Avenue, Slough, SL1 4LZ.

The Company is a non-trading holding company, with one active subsidiary (DHL Parcel UK Limited registration number 00965783) operating in the parcel and business mail collection and delivery services market. It further holds interests in a number of dormant subsidiaries, as detailed in note 6.

KEY PERFORMANCE INDICATORS

Given the nature of the company's activities as a holding company, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the one active subsidiary owned by the Company, DHL Parcel UK Limited, which hence indirectly impacts the Company, together with the main mitigating actions taken are listed below:

Cyber Security

The Company is protected against unauthorised access to data and data manipulation through various measures relating to our employees, organisation, application systems and networks. The Company uses firewall systems, virus scanners and access controls at operating system level to protect against data security risks. These standard activities serve to protect the confidentiality, integrity and authenticity of this data, and ensure compliance with a range of regulations including the General Data Protection Regulation ('GDPR'). The DHL Group operates a "Cyber Defence Team" which is constantly monitoring our technology "perimeters" against the risk of cyber-attack. Security mechanisms and plans are subject to ongoing review and improvement.

Other IT risks

Reliance is placed upon the proper functioning of the Company's IT systems for the effective running of operations. Any prolonged interruption to these could have a materially adverse effect on its operations, financial performance and future prospects. The Company has a Business Continuity Plan ('BCP') in the event of IT systems failure, and undertakes annual penetration tests, addressing any resultant issues identified. As mentioned above, networks are protected by firewalls and anti-virus protection. We continue to invest in scalable, secure, stable and resilient technology infrastructure to meet the needs of our organisation and deliver solutions to our customers.

Business continuity risks

The Company could be materially affected if there was a significant incident such as a terrorist incident, fire or flooding, particularly at one of the major hubs, or the main automated sortation equipment was inoperable for a period of time. This could result in severe disruption and reputational damage to the business, which would ultimately impact on the Company's financial performance. To minimise this risk, the Company has a detailed business continuity plan for its Ryton hub with a suite of additional plans for depots and our support functions. We employ an on-site maintenance team at our National Hub and undertake an on-going programme of preventative maintenance and control measures in order to ensure the continued operation and efficiency of the main sortation equipment as far as possible. Sister sites also provide resilience to support and absorb operations in the event of a disruption.

Legislative and regulatory risks

In recent years, there has been an increased focus both by the government and the courts over 'worker status'. Whilst the Company, which avails itself of a large number of agency and sub-contractor workers firmly believes that it is compliant with existing regulation, the Company could face an increase in its future operational costs, in addition to any potential back dated legal claims and/or tax and national insurance settlements, should the legal position change to any material degree. Competitive pressures may result in an inability to pass on these costs to the Company's customer base.

As a material customer of the Royal Mail, (including service purchased through our agency relationship with them), any changes to the access arrangement could have a material impact on the Company's Mail segment and its economic viability. The Company therefore monitors the Ofcom regulatory environment closely, ensuring the effects of proposed changes are understood. This allows the Company to plan its response accordingly.

Competition risk

The Company is in competition with other providers. Such competition can impact our customer base as well as the level of prices and margins in our markets. In the Parcels and Mail distribution business, the key factors for success are quality, customer confidence and competitive prices. The Company mitigates this risk through close customer contact, with key account managers regularly undertaking performance reviews; addressing any issues identified.

Personnel risks

The Company is highly reliant on the continued service of its key executives and management, who possess the necessary commercial, operational, HR, IT and financial skills that are critical to the success of the Company. Significant staff losses within this group could result in a reduced ability to achieve the Company's strategic and business objectives, including a loss of competitive advantage due to the delayed delivery of projects or required developments. The Company mitigates this risk through regular reviews of remuneration packages, staff skillsets and succession planning. Additionally, as part of the Deutsche Post DHL group, the Company is able to offer all employees a variety of development prospects and a broad range of continuing education, learning and development options, supported by an annual employee development and review process whereby the performance of all employees against their agreed objectives is assessed and discussed with their immediate managers at least twice per year, as well as their management behaviours against both the DPDHL Leadership Attributes, and the DPDHL eCommerce Solutions Division Attributes.

Directors' statement of compliance with the duty to promote the success of the Company

The Board is required to act in accordance with a general set of duties detailed in section 172 of the UK companies act 2006. In the decisions taken during the year ended 31 December 2022, the Directors have acted in the way they consider, in good faith, would be most likely to promote the success of the company and its continuing reputation for High standards of business conduct, for the benefit of its members as a whole.

The company does not currently have any employees, customers or suppliers.



P. Krohn

Director

25th August 2023

UK MAIL GROUP LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2022

The directors present their report and audited financial statements for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The turnover of the Company for the year ended 31 December 2022 was £nil (Year ended 31 December 2021: £nil).

The loss of the Company for the year ended 31 December 2022 was £4,000 (Year ended 31 December 2021: profit of £4,000). No dividends have been paid or proposed in respect of the financial year ended 31 December 2022 (Year ended 31 December 2021: £nil).

The company has net assets of £24,491,000 at 31 December 2022 (as at 31 December 2021: £24,495,000).

DIRECTORS

The directors who have held office during the year and up to the date of approval of the financial statements were:

P Fuller
P Krohn
S Laird

DIRECTORS' INDEMNITIES

The Company maintains insurance against certain liabilities which could arise from a negligent act or a breach of duty by its directors and officers (including former directors and officers who have held office during the year ended 31 December 2022) in the discharge of their duties. This is a qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006.

These indemnities would not provide any coverage where a director is proved to have acted fraudulently or dishonestly.

CHARITABLE AND POLITICAL DONATIONS

The Company made no charitable donations or political donations during the year ended 31 December 2022 (Year ended 31 December 2021: £nil).

Financial Risk Management

The key financial risk faced by the Company is impairment in the carrying value of investments. Such impairment could arise from the underlying general business risk affecting the main operating subsidiary owned by the Company. Many of these risks have been discussed in the Strategic Report and include the competitive environment, people and information technology.

Additionally, the Company's prime subsidiary may be impacted by customer or counterparty credit risk if either fails to meet their individual contractual obligations. Credit risk management follows normal best practice and includes appropriate credit checks on potential customers before sales commence and strict credit control of outstanding amounts. Trade credit insurance is employed to protect any significant exposure.

Royal Mail access costs represent a significant cost to the Company's prime subsidiary. Price risk is limited as Ofcom is mandated to maintain sufficient headroom between retail and access prices, such that competition is encouraged within the mail industry.

The long and short-term financing requirements of the Company's prime operating subsidiary, DHL Parcel UK Limited, are actively monitored to ensure that there are sufficient available funds both for the day-to-day operations of the subsidiary and for planned capital investments.

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, 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 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 also 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.

UK MAIL GROUP LIMITED

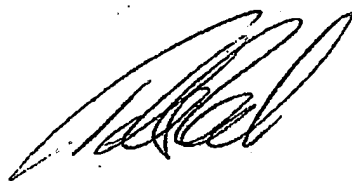
DIRECTORS' REPORT

for the year ended 31 December 2022

Independent auditors

From the 1st January 2023 the Company's Independent auditor has changed to Deloitte LLP. This is part of the overall Deutsche Post AG's auditor rotation required by law. PricewaterhouseCoopers LLP involvement will end once the Company 2022 statutory accounts have been signed.

On behalf of the board

A handwritten signature in black ink, appearing to be 'P Krohn', written in a cursive style.

P Krohn
Director
25th August 2023

Independent auditors' report to the members of UK Mail Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, UK Mail Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Balance sheet as at 31 December 2022; 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

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 on, 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 2022 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.

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 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:

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

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
25 August 2023

UK MAIL GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

		Year ended 31 December 2022	Year ended 31 December 2021
	Note	£'000	£'000
Administrative expenses		(4)	-
Operating (Loss)/Profit		(4)	-
Other income		-	4
(Loss)/Profit before taxation	3	(4)	4
Tax on profit	5	-	-
(Loss)/Profit for the financial year		(4)	4
Total comprehensive (Loss)/Profit for the year		(4)	4
Total comprehensive (Loss)Profit attributable to:			
Equity owners of the Company		(4)	4

The related notes on pages 17 to 26 form part of these financial statements

UK MAIL GROUP LIMITED**BALANCE SHEET**

as at 31 December 2022

	Note	31 December 2022 £'000	31 December 2021 £'000
ASSETS			
Non-current assets			
Investments	6	10,844	10,848
		<u>10,844</u>	<u>10,848</u>
Current assets			
Trade and other receivables	7	13,671	13,671
		<u>13,671</u>	<u>13,671</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	(24)	(24)
		<u>(24)</u>	<u>(24)</u>
Net current assets			
		<u>13,647</u>	<u>13,647</u>
Net assets			
		<u>24,491</u>	<u>24,495</u>
Equity			
Ordinary shares	9	5,523	5,523
Share premium account		15,995	15,995
Retained earnings		2,973	2,977
Total equity		<u>24,491</u>	<u>24,495</u>

The financial statements on pages 14 to 26 were approved by the board of directors on 25th August 2023 and were signed on its behalf by:



P. Krohn
Director

The related notes on pages 17 to 26 form part of these financial statements
Registered number: 02800218

UK MAIL GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Ordinary shares £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2021	5,523	15,995	2,973	24,491
Profit for the financial year	-	-	4	4
Total comprehensive profit for the year	-	-	4	4
Balance as at 31 December 2021	5,523	15,995	2,977	24,495
Balance as at 1 January 2022	5,523	15,995	2,977	24,495
Loss for the financial year	-	-	(4)	(4)
Total comprehensive loss for the year	-	-	(4)	(4)
Balance as at 31 December 2022	5,523	15,995	2,973	24,491

1 General information

UK Mail Group Limited (registration number 02800218) is a private limited company incorporated and domiciled in England. The registered office of UK Mail Group Limited is at Express House, 120 Buckingham Avenue, Slough, SL1 4LZ. The Company was previously listed on the London Stock Exchange (as UK Mail Group plc.) until 22 December 2016, when the entire issued and to be issued share capital was successfully acquired by the Deutsche Post DHL Group.

Following the Company's acquisition by Deutsche Post AG the Company is now a 100% owned subsidiary of DHL Parcel UK Holding Limited, previously known as UK Mail Limited until it changed name on 24 September 2018 (registration number 10496066), a private limited company incorporated and domiciled in England.

2 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in compliance with FRS 101 reduced framework under the historical cost convention, and in accordance with the Companies Act 2006.

Except for certain disclosure exemptions detailed below, the recognition measurement and disclosure requirements of International Financial Reporting Standards ('IFRS') as adopted by the EU have been applied to these financial statements.

2 Principal accounting policies – continued

Basis of preparation (continued)

The Company has taken advantage of the following disclosure exemptions available under FRS 101:

- The requirements of IFRS 7 Financial Instruments Disclosures
- IAS 24 requirements to disclose intercompany transactions between related parties that are wholly controlled by the parent entity and 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 Group.
- The requirement to present certain comparative period disclosures under IAS 1
- Certain disclosures in respect of share-based payment arrangements

The critical accounting judgements and the key sources of estimation uncertainty are detailed in note 12.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going concern

The directors of the Company believe that preparation of the financial statements on the going concern basis is appropriate due to the continued financial support of Deutsche Post Group, the Company's ultimate parent undertaking. The directors have received confirmation that the Deutsche Post Group intend to support the Company for a period of at least one year from the signing of these financial statements.

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have had a material impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

2 Principal accounting policies (continued)
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.

2 Principal accounting policies (continued)

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Financial assets

Basic financial assets, including trade and other receivables, cash and cash equivalents and amounts owed by group undertakings, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off to the statement of comprehensive income when identified.

Cash and cash equivalents comprise cash in hand and current account and demand deposit balances with banks and similar institutions, which are readily convertible to a known amount of cash within three months and which are subject to insignificant risk of changes in value.

Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset.

Financial liabilities

Basic financial liabilities are initially recognised at fair value.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

Share capital

Ordinary shares are classified as equity.

Dividends

Interim dividends are recognised as a distribution from retained earnings in the period in which they are paid.

Final dividends are recognised as a distribution from retained earnings in the period in which they are approved and declared by the directors.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

2 Principal accounting policies (continued)

Consolidation

The company is a wholly owned subsidiary of the Deutsche Post Group, which is incorporated in Germany. It is included in the consolidated financial statements of the Deutsche Post Group which are publicly available. Therefore, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of the ultimate parents registered office is, Deutsche Post AG, Headquarters Charles-de-Gaulle-Straße 20 53113 Bonn.

3 Profit before taxation

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
The following items have been debited/credited in arriving at profit before taxation:		
Loss on disposal of investments	(4)	-
Dividend Received from Business Post Group Limited	-	4
	<u>(4)</u>	<u>4</u>

PricewaterhouseCoopers LLP were remunerated by DHL Parcel UK Limited (registration number 00965783). None of these costs were recharged to the Company in respect of the year ended 31 December 2022 (Year ended 31 December 2021: £nil). Details of the auditors' remuneration can be found in the financial statements of DHL Parcel UK Limited.

4 Employees and directors

The Company had no employees during the year ended 31 December 2022 (Year ended 31 December 2021: nil). During the year, none of the directors received any emoluments in respect of their services to the Company year ended 31 December 2022 (Year ended 31 December 2021: £nil). The directors were remunerated by DHL Parcel UK Limited. None of these costs were recharged to the Company year ended to 31 December 2022 (Year ended 31 December 2021: £nil).

UK MAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

5 Tax on profit

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.

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Current tax		
UK corporation tax on the profit for the year	-	-
Total current tax	-	-
Total deferred tax	-	-
Total tax on profit	-	-

Reconciliation of tax charge

The tax assessed for the year remains at the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are explained below:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
(Loss)/Profit before taxation	(4)	4
(Loss)/Profit before taxation multiplied by standard rate	(1)	1
Of corporation tax in the UK of 19% (2021: 19%)		
Effects of:		
Expenses not allowable for UK tax	1	-
Income not subject to UK tax	-	(1)
Total tax per income statement	-	-

Tax rate

The standard rate of corporation tax is 19% (2021: 19%). Finance Act 2021 increased the main rate of corporation tax from 19% to 25% with effect from 1 April 2023.

UK MAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

6 Investments

	Investments in subsidiary companies £'000	Total £'000
Cost		
At 1 January 2022	20,226	20,226
At 31 December 2022	20,226	20,226
Impairment		
At 1 January 2022	9,378	9,378
Disposal	4	4
At 31 December 2022	9,382	9,382
Net book value		
31 December 2021	10,848	10,848
31 December 2022	10,844	10,844

Subsidiary undertakings

The following were directly held subsidiary undertakings of the Company:

Name	Description of shares held	Holding	Principal activity
DHL Parcel UK Limited	Ordinary £1 shares	100%	Parcel and mail collection and delivery services
Business Mail Limited	Ordinary £1 shares	100%	Dissolved – 27 th Dec 2022
Business Post Group Limited	Ordinary £1 shares	100%	Dissolved – 27 th Dec 2022
Business Post Limited	Ordinary £1 shares	100%	Dissolved – 3rd Jan 2023
UK Mail Limited	Ordinary £1 shares	100%	Dissolved – 27 th Dec 2022
UK Mail Express Parcels and Mail Limited	Ordinary £1 shares	100%	Dissolved – 27 th Dec 2022
UK Today Couriers Limited	Ordinary £1 shares	100%	Dissolved – 27 th Dec 2022
Web-Despatch.com Limited	Ordinary £1 shares	100%	Dissolved – 27 th Dec 2022

The registered office of all of these entities is 120 Buckingham Avenue Slough SL1 4LZ.

UK MAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

7 Trade and other receivables

	31 December 2022 £'000	31 December 2021 £'000
Amounts owed from subsidiary undertakings	13,671	13,671
	<u>13,671</u>	<u>13,671</u>

All carrying amounts above are denominated in sterling, and are due within one year.

Amounts owed from subsidiary undertakings do not bear interest are unsecured and are repayable on demand.

8 Trade and other payables

	31 December 2022 £'000	31 December 2021 £'000
Dividends payable	(22)	(22)
Amounts owing to group undertaking	(2)	(2)
	<u>(24)</u>	<u>(24)</u>

The dividend payable relates to the unclaimed dividends declared when the company was still listed.

Amounts owing to group undertakings are unsecured and repayable on demand. For the year ended 31 December 2022 interest was charged between 0.75% to 1.41%.

UK MAIL GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****for the year ended 31 December 2022****9 Ordinary shares**

	31 December 2022 £'000	31 December 2021 £'000
Authorised 70,000,000 (31 December 2021: 70,000,000) ordinary shares of 10p each	<u>7,000</u>	<u>7,000</u>
Issued, allotted and fully paid 55,227,505 (31 December 2021: 55,227,505) ordinary shares of 10p each	<u>5,523</u>	<u>5,523</u>

10 Contingent liabilities

The Company has no contingent liabilities as at 31 December 2022.

11 Ultimate parent undertaking and controlling party

DHL Parcel UK Holding Limited, a company registered in England and Wales became the Company's immediate parent undertaking following the completion of the takeover of the UK Mail Group Limited by the Deutsche Post DHL Group in December 2016. The parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared is Deutsche Post AG, which is incorporated in Germany.

The Deutsche Post Group is the ultimate parent undertaking and the ultimate controlling party. Copies of the group financial statements of the Deutsche Post Group can be obtained from Deutsche Post DHL Group, Zentrale – Investor Relations, 53250 Bonn, Germany.

12 Critical accounting judgements and key sources of estimation uncertainty

The Company's accounting policies are set out in note 2 to these financial statements. Management is required to exercise significant judgement in the application of these policies. The Directors believe that there are no critical accounting policies where judgements have been necessarily applied.

a) Key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management makes estimates and assumptions about the future, which 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 discussed below.

Impairment of fixed asset investments

The Company considers whether fixed asset investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the investments. This requires estimation of the future cash flows from the fixed asset investments and also selection of the appropriate discount rates in order to calculate the net present value of those cash flows.

13 Post-balance sheet events

As at the date of this report, there were no significant post-balance sheet events affecting the Company for the year ended 31 December 2022.