

REGISTERED NUMBER: 03078367 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2021
for
TRADETEAM LIMITED**



TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

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for the Year Ended 31 December 2021**

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TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

L Miller
G Murdoch

REGISTERED OFFICE:

Solstice House
251 Midsummer Boulevard
Milton Keynes
MK9 1EA

REGISTERED NUMBER:

03078367 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Exchange House
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Strategic Report
for the Year Ended 31 December 2021**

The directors present their Strategic Report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The principal activity of the company during 2021 was the supply of distribution and logistics services to the drinks industry in the United Kingdom. The company's principal activity in future will be the holding of balances with fellow group undertakings.

In the opinion of the directors the annexed 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	2020
	£'000	£'000
Profit/(loss) for the financial year	128,914	(48,897)
Net assets/(liabilities)	<u>17,043</u>	<u>(112,026)</u>

The hospitality industry started to recover from the impact of COVID-19 during 2021 having been subject to additional national lockdowns during January to July 2021 with partial re-opening of hospitality from May 2021 onwards.

Between the national lockdowns volumes remained significantly impacted as social distancing requirements meant that venue capacities had to be reduced and this was the case through most of 2021. The company continued to participate in the ongoing government Coronavirus Job Retention Schemes, to support those staff unable to work due to continuing reduced activity, and mitigate the impact on the company.

During 2021 a decision was taken to move the operating activities currently reported in Tradeteam Limited to fellow group subsidiary DHL Supply Chain Limited. At the same time the assets and the majority of the leases relating to these operations also transferred. This transfer was made at book value and took effect in the second half of 2021, consequently all future operational reporting after that date will form part of the results of DHL Supply Chain Limited. The staff employed by Tradeteam Limited transferred to DHL Services Limited and are being recharged to DHL Supply Chain Limited for services provided.

The company was predominantly funded via a loan from the ultimate UK parent company. During 2021 the loan was waived thereby ensuring the company had positive net assets prior to the operational activity transferring to DHL Supply Chain Limited. At the point of the waiver the loan balance stood at £135m and consequently this is why the business was profitable during 2021.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Strategic Report - continued
for the Year Ended 31 December 2021**

REVIEW OF BUSINESS - continued

There will now be a process of transferring remaining leases and winding down balances during 2022.

The ongoing impact of COVID-19 will continue to be monitored through 2022 by the directors of DHL Supply Chain Limited.

SECTION 172 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 be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- and the need to act fairly with members of the company.

The following statements predominantly relate to the period prior to the trading activity transferring to DHL Supply Chain Limited.

The directors give careful consideration to the factors set out above in discharging their duties under section 172. The stakeholders the Board has identified with regard to this are:

- Our customers and partners
- Our employees
- Our investors
- Our suppliers
- Our community

The Board sees the value of building and maintaining strong relationships with these stakeholders and is committed to delivering regular and sustained ways of doing so, with a view to this activity providing an exceptional customer experience as well as delivering value for the shareholder.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

Strategic Report - continued for the Year Ended 31 December 2021

SECTION 172 STATEMENT – continued

The company views the interactions with these stakeholders through the lens of our Deutsche Post DHL corporate strategy. The company is fully engaged with the Deutsche Post DHL Group Strategy 2025 'Delivering excellence in a digital world', which focuses on strengthening what we do best; our core businesses. It provides a framework for accelerating, especially digital, opportunities to enhance our customer services and continuously improve our processes. Strategy 2025 retains the following stated aims for the business to be:

The Provider of choice

- Focusing on excellent execution and standard operating procedures is at the core of our operating systems. This is embodied in our First Choice methodology.
- We listen to the voice of our customers regularly and act on feedback accordingly.
- With our GoGreen programme, we strive for net zero emissions logistics for the Group by 2050.

The Employer of choice

- With our Certified program we have created a team of Certified experts and a best-in-class culture. We will increase the focus on Certified modules for management and for supervisors.
- We focus on feedback in both directions as a key tool to drive personal development.
- With our GoHelp and GoTeach programmes, we are committed to social responsibility towards the societies we operate in. The GoHelp programme helps people in need following natural disasters. Since 2005 the Group has joined forces with the United Nations to run a disaster management program. The GoTeach programme aims to enhance the employability of young people, regardless of their origins, socioeconomic background or position.
- We share a joint management approach expressed in our Leadership Attributes. We train and assess our management in these attributes.

The Investment of choice

- We are constantly looking at generating more value for all stakeholders by building new capabilities/skills and through the use of technology, automation, and data analytics.
- We drive our business in a responsible and ethical way. We will enhance policies, processes, training, and communication measures to embed compliance further in daily business life while especially focusing on suppliers and business partners.

Suppliers

The company worked with a number of key suppliers, primarily providers of property, equipment and agency staff. The relationship with these suppliers was managed via a number of specialised centralised procurement teams.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Strategic Report - continued
for the Year Ended 31 December 2021**

SECTION 172 STATEMENT – continued

Community

Today, corporate sustainability means more than 'good corporate citizenship'. It encompasses the entirety of a business, from the sustainability of the business model through 'Environmental, Social and Governance' (ESG) performance. Making progress in those areas is just as important as delivering our financial targets, because they strengthen the resilience of our company's core. This is demonstrated by placing our Living responsibility approach at the centre of our strategy. This includes the GoTeach, GoGreen and GoHelp initiatives.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk categories and specific risks

The risks set out in the following paragraphs are those which we presently consider to have a significant, or potentially negative, impact on our earnings, financial position and assets and liabilities. They are not necessarily the only risks to which the company is exposed. Our business activities may also be adversely affected by additional factors of which we are currently unaware or which we do not yet consider to be material.

Since the transfer of the operations to DHL Supply Chain Limited, the risks related to the Tradeteam legal entity are now significantly reduced.

COVID-19

The Executive Team, reporting in to the Board of Directors, have utilised a global reporting tool to monitor and report the impact of COVID-19. The Executive team have worked alongside our suppliers, customers and employees, to take immediate actions and plan for potential scenarios, to ensure the continuity and success of the business.

The impact of COVID-19 on the ongoing business transferred to DHL Supply Chain Limited will continue to be monitored through 2022 by the directors of that company.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Strategic Report - continued
for the Year Ended 31 December 2021**

PRINCIPAL RISKS AND UNCERTAINTIES – continued

Self insurance risks

The company maintains insurance policies with significant excesses below which claims are borne by the company. Full provisions are made for the estimated cost of claims or losses arising from past events falling outside the limits of these policies. The provisions held for insurance claims are significant and calculated based on advice provided by the company's external insurance advisors. The movement on these provisions can have a significant impact on the results of the company. Any outstanding provision have now been transferred to DHL Supply Chain Limited and will be managed by that company until utilised or released. As such the ongoing risk will be disclosed in that entity's annual report.

ON BEHALF OF THE BOARD:



L Miller – Director

Date: 23 June 2022

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

Report of the Directors for the Year Ended 31 December 2021

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

FUTURE DEVELOPMENTS

During 2021 a decision was taken to move the operating activities currently reported in Tradeteam Limited to fellow group subsidiary DHL Supply Chain Limited. At the same time the assets and the majority of the leases relating to these operations also transferred, and the staff formerly employed by Tradeteam Limited transferred to fellow group subsidiary DHL Services Limited. All future reporting after that date will form part of the results of DHL Supply Chain Limited and DHL Services Limited. During 2022, there will be a period of winding down any remaining balances held by the company and transferring or terminating remaining leases.

GOING CONCERN

The company continues to participate in the Deutsche Post DHL Group's centralised treasury arrangements and so shares banking arrangements with its parent and other group undertakings. The company can further draw on these arrangements for funds should the need arise up to pre-determined limits. The ultimate parent undertaking has confirmed that these short-term facilities will be available throughout the going concern period. The forecasts indicate that the company is able to continue to operate within these facilities throughout the forecast period.

The Directors, based on their enquiries, have concluded that the company has adequate resources to continue in operational existence for the foreseeable future, and to meet its third party liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

STAKEHOLDER ENGAGEMENT WITH EMPLOYEES

During 2021 all employees of the company transferred to DHL Services Limited, a fellow group undertaking. The statements that follow relate to the period up until transfer, but are equally applicable to the continued employment of staff by DHL Services Limited.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

STAKEHOLDER ENGAGEMENT WITH EMPLOYEES - continued

The company takes part in the annual Deutsche Post DHL Group-wide Employee Opinion Survey, which comprises 41 questions grouped into ten key performance indicators. Local management review the feedback of this survey with their teams and strive for continuous improvement in all areas.

Employees are also given the opportunity to participate in the Deutsche Post DHL share plan.

FINANCIAL RISK MANAGEMENT

The company's operations exposed it to a variety of financial risks that included the effects of price risk, credit risk, volume risk, liquidity risk and interest rate cash flow risk. The company does not use derivative financial instruments.

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

Price risk

The company was 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.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterpart was subject to a limit, which was reassessed monthly.

Volume risk

The long term decline in on-trade volumes and the continued trend of pub closures had a significant effect on the company's revenue. This risk was mitigated through diversification, for example business with wine wholesalers and other non-drinks warehousing opportunities.

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. A substantial part of the debt finance is provided by a fellow subsidiary undertaking.

Interest rate cash flow risk

The company has interest bearing liabilities. The company has a policy of generally borrowing from fellow subsidiary undertakings at market rates. The directors will review the appropriateness of this policy should the company's situation change, or the Deutsche Post DHL Group policies for financing group undertakings change.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Report of the Directors – continued
for the Year Ended 31 December 2021**

DIVIDENDS

No dividends were distributed for the year ended 31 December 2021 or 31 December 2020. The directors recommend that no final dividend be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

L Miller

G Murdoch

Other changes in directors holding office are as follows:

I Clough – resigned 3 September 2021

L Bridges – resigned 3 September 2021

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. The company also provided an indemnity for its directors, 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.

SLAVERY ACT

The company is a member of the Deutsche Post DHL Group. A statement pursuant to Section 54(1) of the Modern Slavery Act 2015 can be found on the group's UK website using the following link www.logistics.dhl/gb-en/home/about-us/corporate-responsibility/modern-slavery-statement.html

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

Under changes introduced by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI 2018/1155'), large unquoted companies are now obliged to report their UK energy use and associated greenhouse gas ('GHG') emissions in their annual reports.

As part of the DPDHL group, the company is committed to the group-wide environmental protection program, 'GoGreen'. In 2017, the group has a climate protection target to reduce all logistics-related emissions to net zero by the year 2050. In March 2021, we published our accelerated roadmap; aligning our targets with the Paris Commitment. By 2030 we will:

- Ensure that 60% of our delivery vehicles for the last mile are electrically powered and at least one-third of fuel requirements in aviation and line haul are covered by sustainable fuels;
- Invest €7 billion globally in Clean Operations to reduce our emissions from what would be 46 million tonnes in 2030 to under 29 million tonnes in that year; (total emissions in 2020 were 33 million tonnes CO₂).
- Commit as part of the Science Based Target initiative (SBTi) to reduce our greenhouse gas emissions by 2030 in line with the Paris Climate Agreement.

**Report of the Directors – continued
for the Year Ended 31 December 2021**

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE- continued

As a logistics company, the impact of our business activity on the environment is mainly in the form of greenhouse gas emissions arising from the consumption of energy and fuels. To minimize this impact, we have set ourselves ambitious environmental targets and embedded environmental and climate protection in our Environmental and Energy Policy, which is binding for all employees and subsidiaries. Innovative policies developed as part of GoGreen include solutions to reduce emissions and improve fuel efficiency.

We continuously invest in improving the efficiency of our fleets and buildings; this has the added effect of reducing greenhouse gas emissions and lowering fuel and energy costs.

As part of the Deutsche Post DHL Group, the company has been at the forefront of many green services, technologies and initiatives. An effective reduction approach requires tailored alternative technologies and solutions spread across the entire supply chain. New technologies in the area of lightweight vehicle design, speed limiting systems, low-rolling resistance tires along with the modernization of our fleet are among the methods used to reduce fuel consumption in our conventional-fuelled vehicles. In addition to this, we rely more and more on alternative drive systems and fuels, including electric and natural gas powered vehicles for short distances, and sustainably produced, advanced second-generation biofuels for long-haul transportation.

Furthermore, as part of our recently launched DPDHL Sustainability Roadmap, starting in 2021, we are committed to implement carbon neutral design for all new (owned) buildings, with the remaining emissions to be neutralized. As part of the Group's GoGreen programme, we have developed concepts designed to improve emissions and fuel efficiency and intensify the use of alternative energy sources. This includes the use of renewable energy sources for providing electricity to our warehouses, and the installation of energy efficient lighting and heating systems as part of our 'burn less' approach.

Consequently, we are reducing our dependence on fossil fuels and promoting the use of alternative energy sources in both our transport fleets and buildings.

Our internal management information system tracks both carbon emissions and carbon efficiency. An important prerequisite for developing effective carbon efficiency measures is transparency with regard to the type and amount of greenhouse gas emissions. We calculate our greenhouse gas emissions based on widely-accepted international standards including the Greenhouse Gas Protocol (GHG Protocol) standards, the Corporate Accounting and Reporting Standard as well as the Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Global Logistics Emissions Council (GLEC) Framework. Our data is also collected and processed in accordance with the requirements of EN 16258 and ISO 14064 standards.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Report of the Directors - continued
for the Year Ended 31 December 2021****STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE - continued**

The table below highlights the metrics used to measure our performance:

	Unit	2021	2020
Emissions from activities for which the company owns or controls including the combustion of fuel and operation of activities. Direct GHG emissions (Scope 1).	tCO ₂ e	4,729	16,027
Emissions from the purchase of electricity, heat, steam and cooling purchased for our use. Indirect GHG emissions (Scope 2).	tCO ₂ e	-	-
Total GHG emissions	tCO ₂ e	4,729	16,027
Energy consumption	kWh	21,991,512	70,215,889
Intensity ratio – total GHG emissions per square metre of warehouse space	kgCO ₂ e /m ²	3.03	7.31
Intensity ratio – total GHG emissions (including scope 3) per £ revenue for transport	kgCO ₂ e / £	0.29	0.36

The energy consumption principally relates to renewable electricity, gas and fuel for our warehousing and transport activities.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Our business relationships and activities are based upon responsible business practice that complies with applicable laws, ethical standards and this also forms part of the Group's strategy. The Board considers good corporate governance to be integral to the Group strategy which also ensures effective delivery of the responsibilities identified in s172 Companies Act 2006 to promote the success of the company for the benefit of the members as a whole. The Board has undertaken a review of corporate governance arrangements, taking into account that it operates as a subsidiary of the wider Deutsche Post DHL Group, and is managed as part of DHL Supply Chain UK business comprising a number of legal entities. The review considers the six Wates principles as set out below.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

Report of the Directors - continued for the Year Ended 31 December 2021

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS – continued

1. Purpose and Leadership

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

The directors focus on promoting the purpose of the company as set out in the Review of Business section of the Strategic Report. As part of the Deutsche Post AG Group of companies, Tradeteam Limited aligns to the Group strategy, which is refreshed every 5 years. In late 2019, the new 2025 Strategy was launched, replacing the 2020 Strategy. The DHL Supply Chain businesses in the UK, along with the other Group Divisions, then take the global strategy, and align their strategic aims to it. There is a structured internal engagement plan which includes regular Town Hall Meetings and Board briefs. These sessions provide the opportunity to promote the strategy, the performance against it and include feedback from colleagues.

Across Deutsche Post DHL there is a training programme about the business we work in. In Tradeteam Limited this is Certified Supply Chain Specialist ('CSCS'). The course covers awareness of our company and Group, as well as an understanding of the purpose, values and strategy of the business, and is available to all colleagues. It helps colleagues understand their fit and importance within the organisation.

During 2021 24 colleagues attended the course. For Managers, there is also a mandatory course to build on CSCS, known as Certified Supply Chain Manager ('CSCM'), which is a 3 day course focussing on the culture of the organisation, and the management's role within it. In 2021, 7 managers attended the course. The Certified programme has a series of other courses available to build on the foundations that CSCS and CSCM provide. The Board sponsor these programmes, and personally facilitate some of the courses, along with other senior managers.

There is a Group wide employee opinion survey completed every year, followed by action planning. The staff previously employed by Tradeteam Limited were transferred to DHL Services Limited during 2021 so the results formed part of the feedback for that company.

2. Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The Tradeteam Limited Board is made up of a diverse group of individuals from different backgrounds, countries and experiences. The Board reflects the size and complexity of the business, along with clear functional ownership. Board meetings are held to approve the appointment of directors, the issue of financial statements and the implementation of any intercompany funding required by the company. The Board uses 'mini boards' to aide effective decision making, where sub groups of the main DHL Supply Chain UK Board work on particular topics.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS - continued

3. Directors' Responsibilities

The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.

All Board members have well defined roles and accountabilities in line with the wider Deutsche Post DHL Group. Functional Board members report into the global lead for their function, in line with the Group blueprint. This includes a delegated authority matrix specifying the maximum amount of expenditure that a director can approve. The Group has significant internal expertise in a wide range of fields which the directors can draw on for advice. Where necessary this can be supplemented by the engagement of external advisors to ensure directors have the necessary information to perform their duties and be in a position to independently challenge information used for decision making.

The Group has issued clear guidance and training on conflicts of interest for all staff including directors.

4. Opportunity and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

The Board of Tradeteam Limited actively lead the business in a long term sustainable way, focussing on delivering the strategic aims in a well-controlled way. There is a standard, global 'Opportunity to Deliver' process which is followed in DHL Supply Chain UK businesses, for all new business opportunities. This rigorous, structured process ensures the right controls are in place, and appropriate stakeholders are involved throughout the process to mitigate risk. Further detail on the principal risks faced by the business are discussed in the Principal Risks and Uncertainties section of the Strategic Report.

The main UK Board, which oversees all DHL Supply Chain UK businesses, has implemented a specialist commercial team to lead large, complex new business deals, to further mitigate risk. There is also a standard, Group wide Business Case Approval process which is rigorously adhered to and ensures new investments are approved by all relevant stakeholders at all levels. Tradeteam Limited is supported by the Group wide Global Risk team.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS – continued

5. Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

As part of the Deutsche Post DHL Group, the remuneration structures are provided to Tradeteam Limited. The structures support the long-term sustainable success of the Group and include non financial and financial measures. Remuneration includes bonuses and participation in executive share schemes which are linked to the annual performance of the UK and global Supply Chain business and achievement of longer term strategy goals. These structures are adhered to by the Tradeteam Limited Board.

6. Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose.

The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions. As part of the wider Deutsche Post DHL Group of companies, there is a shared strategy around employee engagement. To be the 'Employer of Choice' is one of the Group's 3 strategic aims.

Key aspects to the strategy include an annual Group wide employee opinion survey with structured follow up, which is completed across the Group for all colleagues. Participation levels, as well as the results of the scores are reviewed and action plans at team level are agreed and completed before the next survey.

Regular strategic briefings and Town Hall Meetings at all levels from Group CEO to shift leaders are carried out and available to all employees to share the progress against strategic aims and provide further opportunity for employee feedback.

As part of the Deutsche Post DHL Group, the UK DHL Supply Chain businesses, including Tradeteam Limited, benefit from centralised support services, including Procurement. This Group wide organisation provides the framework for our supplier relationships, and leads all stages of the procurement cycle.

Across the Deutsche Post DHL Group, customer feedback is measured using 'CXM' a regular customer survey and feedback process. The DHL Supply Chain UK businesses use this process to support constructive customer relationships effectively over the long term, seek feedback, and support organic growth with existing customers.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS – continued

6. Stakeholder Relationships and Engagement - continued

As part of the Deutsche Post DHL Group, the UK DHL Supply Chain businesses, including Tradeteam Limited, the business engages with the local communities through donations to local charities and via funding of the DHL Foundation, a registered charity that helps disadvantaged children and young people aged 5 years to 25 years from across the UK. Their activities are focussed on helping these young people to get the most out of their education and supporting them into employment. The other charitable donations are usually linked to nominated charities of our customers or related to local charities near to the operating sites of the company.

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 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 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.

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.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

DIRECTORS' CONFIRMATIONS

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

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:



L Miller - Director

Date: 23 June 2022

Independent Auditors' report to the members of Tradetteam Limited

Report on the audit of the financial statements

Opinion

In our opinion, Tradetteam 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 loss for the year then ended;
- have been properly prepared 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); 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 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.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Conclusions relating to going concern

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

- Consideration of the future cash flow requirements of the company and its ability to fund those requirements through its access to group banking arrangements recognising the interdependency of the company's operations with the wider DHL Supply Chain UK Group; and
- Review of the adequacy and appropriateness of the financial statement disclosures regarding the going concern basis of preparation.

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.

Independent Auditors' report to the members of Tradeteam Limited – continued

Report on the audit of the financial statements – continued

Conclusions relating to going concern - continued

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.

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 Report of the Directors, 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 Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors 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 Report of the Directors.

Independent Auditors' report to the members of Tradeteam Limited – continued

Report on the audit of the financial statements - continued

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 the failure to comply with taxation regulations, employment laws, Coronavirus Job Retention Scheme and health and safety 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 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 the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiries of management, walkthrough procedures to understand and evaluate the controls designed to prevent and detect irregularities and fraud, and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- challenging assumptions made by management in their accounting estimates, for example in relation to impairment of debtors;

Independent Auditors' report to the members of Tradetteam Limited – continued

Report on the audit of the financial statements - continued

Responsibilities for the financial statements and the audit- continued

Auditors' responsibilities for the audit of the financial statements - continued

- identifying journal entries, in particular any journal entries posted with unusual account combinations, posted by unusual users and journal entries with specific defined descriptions;
- review of Board minutes and legal expenses to identify any inconsistencies with other information provided by management; and
- incorporating elements of unpredictability.

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

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

Use of this report

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

Independent Auditors' report to the members of Tradeteam Limited – continued

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

L Gartside

Lucy Gartside (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

23 June 2022

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Statement of Comprehensive Income
for the Year Ended 31 December 2021**

	Note	2021 £'000	2020 £'000
TURNOVER	4	43,662	93,151
Income from loan waiver		135,000	-
Other operating income	7	6,259	11,148
Staff costs	5	(13,508)	(53,591)
Depreciation and other amounts written off tangible and intangible fixed assets		(21)	(1,269)
Other operating charges		(42,059)	(97,381)
Profit on sale of tangible asset		11	44
OPERATING PROFIT/(LOSS)	7	129,344	(47,898)
Other interest receivable and similar income	8	149	-
Interest payable and similar charges	9	(579)	(996)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		128,914	(48,894)
Tax on profit/(loss) on ordinary activities	10	-	(3)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		128,914	(48,897)

There are no items of other comprehensive income other than the loss for the financial year (2020: £nil).

CONTINUING OPERATIONS

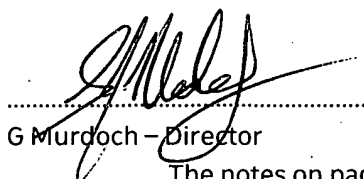
All results relate to discontinued operations.

The notes on pages 25 to 47 form part of these financial statements.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Balance sheet
as at 31 December 2021**

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	11	-	135
CURRENT ASSETS			
Stocks	12	-	7,147
Debtors	13	26,767	10,850
		<u>26,767</u>	<u>17,997</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(9,346)	(124,039)
NET CURRENT ASSETS/(LIABILITIES)		<u>17,421</u>	<u>(106,042)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,421	(105,907)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	-	(625)
PROVISIONS FOR LIABILITIES	17	(378)	(5,494)
NET ASSETS/(LIABILITIES)		<u>17,043</u>	<u>(112,026)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1	1
Other distributable reserve		18,931	18,931
Special reserve		1,129	1,129
Accumulated losses		<u>(3,018)</u>	<u>(132,087)</u>
EQUITY		<u>17,043</u>	<u>(112,026)</u>

The financial statements on pages 22 to 47 were approved by the Board of Directors on 23 June 2022 and signed on its behalf by:


G Murdoch – Director

The notes on pages 25 to 47 form part of these financial statements.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Notes	Called up share capital £'000	Other distributable reserve £'000	Special reserve £'000	Accumulated losses £'000	Total £'000
Balance at 1 January 2020		1	18,931	1,129	(83,428)	(63,367)
Changes in equity						
Loss for the financial year		-	-	-	(48,897)	(48,897)
Deductions from reserves relating to employee share scheme payments	5	-	-	-	(218)	(218)
Adjustment in respect of employee share schemes charged to total comprehensive income	5	-	-	-	456	456
Balance at 31 December 2020		1	18,931	1,129	(132,087)	(112,026)
Changes in equity						
Profit for the financial year		-	-	-	128,914	128,914
Deductions from reserves relating to employee share scheme payments	5	-	-	-	(402)	(402)
Adjustment in respect of employee share schemes charged to total comprehensive income	5	-	-	-	557	557
Balance at 31 December 2021		1	18,931	1,129	(3,018)	17,043

The other distributable reserve was created in 2011 when the company's share premium account was cancelled and a distributable reserve was created. After a distribution to shareholders from this reserve in 2011, a balance of £18,931,000 remains.

The special reserve was created in 1997, on the approval of the High Court. The company reduced its share premium account to create a special reserve against which the cumulative deficit on the company's profit and loss account reserve at that date was eliminated. A balance of £1,129,000 remains.

Accumulated losses represents accumulated comprehensive income for the year and prior years.

The notes on pages 25 to 47 form part of these financial statements.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

General information

Tradetteam Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office changed on 1 October 2021 from Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN to Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA.

Statement of compliance

These financial statements 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 in accordance with the Companies Act 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention.

The company continues to participate in the Deutsche Post DHL Group's centralised treasury arrangements and so shares banking arrangements with its parent and other group undertakings. The company can further draw on these arrangements for funds should the need arise up to pre-determined limits. The ultimate parent undertaking has confirmed that these short-term facilities will be available throughout the going concern period.

The forecasts indicate that the company is able to continue to operate within these facilities throughout the forecast period.

The Directors, based on their enquiries, have concluded that the company has adequate resources to continue in operational existence for the foreseeable future, and to meet its third party liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies adopted by the company are set out below and are consistent with those of the previous year.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of preparing the financial statements - continued

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1.12:

- the requirements of Section 7 statement of Cash Flows and paragraph 3.17(d) of FRS 102
- the requirements of Section 4.12(a)(iv) Statement of Financial Position FRS 102 paragraph for providing a reconciliation of the number of shares outstanding at the beginning and end of the period
- the requirements of Section 33.7 regarding the disclosure of key management personnel compensation in total
- the requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c)

The company has also taken advantage of the exemption granted under Section 33.1A of FRS 102 from the disclosure of related party transactions with other wholly owned members of the group.

Revenue recognition

Turnover is recognised based on the fair value of the right to consideration for the sale of services and goods to third parties. For the sale of services, turnover is determined by the percentage of the total service chargeable to customers completed by the balance sheet date. Turnover excludes value added tax and equivalent taxes, duty and other disbursements made on behalf of customers.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition - continued

Certain contractual arrangements require costs to be incurred in advance of the start of activity. Where the contract provides for the recovery of these costs from the customer over a period extending beyond the balance sheet date then the amount recoverable is recognised as revenue and included within accrued income. Any amount recoverable after more than one year is included within accrued income - amounts falling due after one year. Turnover includes income for services provided to fellow group undertakings relating to the provision of IT services, property and assets used in the operations of those undertakings.

Government grants

The company applies the accrual model to classify grants either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue (including Coronavirus Job Retention Schemes) are recognised within other operating income in the statement of comprehensive income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Stocks

Under certain logistics arrangements, the company takes title to goods delivered into the network by suppliers on instructions from customers which are then delivered on at cost.

Deposits into the network and deliveries into the customer estates are settled by the company directly with suppliers. The risks and rewards of ownership are underwritten by the customers and do not pass to the company.

The company receives income for handling and storing the goods but makes no margin on the arrangements. The sale and purchase of the goods are excluded from turnover and operating charges. Stocks, debtors and creditors relating to such transactions are included in the balance sheet. Stocks are valued at latest invoiced cost.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Tangible assets

Fixed assets are stated at cost less depreciation and less any impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation of tangible fixed assets (excluding freehold and long leasehold land, which are not depreciated) is charged evenly over their estimated useful lives. The estimated useful lives applied to the major asset classes are as follows:

Freehold property	35 to 50 years
Leasehold improvements	35 to 50 years
Plant and machinery	5 to 10 years
Vehicles	5 to 10 years
Fixtures and fittings	5 to 10 years

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.

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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that resulted 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.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation – continued

(ii) Deferred tax - continued

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively 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 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.

Foreign currencies

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 rates ruling on the balance sheet date. Exchange differences arising on foreign currency transactions are included in the statement of comprehensive income.

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

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 statement of comprehensive income on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Periodic tests are performed on Cash Generating Units (CGUs) to assess whether a triggering event has taken place which would require a provision against leased assets used within the CGU. Where applicable the net of leasing costs and potential sublease income for the remaining lease term is provided for at appropriate discount rates.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Uninsured losses

The company maintains insurance policies with significant excesses, below which claims are borne by the company. Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies. Provisions with more than one year to maturity are discounted at market rates of interest that reflect the risk and time to settlement of the obligation.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Pensions

The company participates in a Group wide pension arrangement including both defined benefit and defined contribution pension schemes. The schemes are treated as if they were defined contribution schemes in the financial statements of the company. The amount charged to total comprehensive income in respect of pension cost is the contributions payable during the year. The difference between contributions payable in the year and contributions actually paid is shown as an accrual or prepayment in the balance sheet.

As there is no formal policy of allocating either the pensions obligations or charges between group companies the related pension assets and obligations are accounted for by DHL Services Limited, a fellow group company, who is also deemed to be the principal participating entity in respect to the pension schemes. More detailed disclosures regarding the pension schemes are included in the financial statements of DHL Services Limited.

The company does not maintain any other post-retirement benefits.

Called up share capital

Ordinary shares are classified as equity.

Contingencies

Contingent liabilities arise as a result of past events when

- (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date; or
- (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Share-based payments

The company operates two schemes whereby certain executives employed by the company receive part of their variable remuneration for the financial year in the form of shares in Deutsche Post AG (refer to note 5 for further details). If certain conditions are met, the executive will be awarded shares in Deutsche Post AG at the end of the waiting period. Assumptions regarding the price of Deutsche Post AG's shares and assumptions regarding employee fluctuation are taken into account when measuring the value of share-based payments for executives, which are required to be accounted for as equity-settled share-based payment transactions pursuant to Section 26 of FRS 102.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Share-based payments - continued

The resulting staff costs are recognised pro rata in the statement of comprehensive income to reflect the services rendered as consideration during the vesting period (lock-up period). Obligations that in future are settled by issuing shares in Deutsche Post AG and do not provide the executives with a choice of settlement are recognised in equity pursuant to Section 26 of FRS 102.

Financial instruments

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

(i) Financial assets

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND 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.

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.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the credit rating of the debtor, the ageing profile and historical experience. Debtors receivable from group undertakings are assessed on an annual basis for impairment following a review of the net assets of those group companies. See note 13 for the net carrying amount of the debtors, and note 7 for the charge to the statement of comprehensive income.

Critical accounting judgements in applying the entity's accounting policies

Impairment of fixed assets

At each balance sheet date fixed assets are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset. The assumptions used in the calculation of any impairment, such as establishing the recoverable amount, are considered to be a critical accounting judgement.

Onerous lease provision

At each balance sheet date leases are assessed to determine whether there is an indication that an onerous lease provision may be required. If there is such an indication the net of leasing costs and potential sublease income to the end of the lease term are taken into account. The assumptions used in the calculation of any provision, such as establishing any alternative use or potential sublet income, are considered to be a critical accounting judgement.

Pensions

The company participates in a group wide pension arrangement including both defined benefit and contribution schemes. As there is no formal policy of allocating either the pension obligations or charges between group companies, the directors have adopted the policy to account for the schemes as defined contribution schemes in this company. The related pension assets and obligations are accounted for by DHL Services Limited. See note 19 for further details.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY - continued

Critical accounting judgements in applying the entity's accounting policies - continued

Taxation

The company has entered into an agreement with Exel Limited, a fellow group undertaking, under which the company's UK taxation liabilities are settled by Exel Limited and similarly the benefit of amounts recoverable from tax authorities are received by this fellow group undertaking. As a result, the company has not recognised either current or deferred tax liabilities/assets due to/recoverable from the UK tax authorities. All such assets and liabilities are recognised in the financial statements of Exel Limited.

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. STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	10,857	44,068
Social security costs	909	4,601
Other pension costs	1,107	4,403
Cost of employees' share schemes	635	519
	<u>13,508</u>	<u>53,591</u>

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

	2021	2020
	Number	Number
Management and supervisory	10	27
Drivers, warehouse and clerical	440	1,511
Specialist	2	7
	<u>452</u>	<u>1,545</u>

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****5. STAFF COSTS - continued**

The above numbers include directors on a service contract.

A fellow subsidiary company, DHL Services Limited, has also provided staff services to the company throughout the year. These costs are charged as part of a management fee which is included within other operating charges. It is not possible to ascertain separately the element of the management charge that relates to staff costs.

The disclosure of the wages and salaries costs of those employees that have been recharged to this company is included within the notes of DHL Services Limited.

During the year the staff employed by Tradetteam Limited were transferred to DHL Services Limited, and will be charged to DHL Supply Chain Limited in line with the transfer of activity to that company.

Share-based payments for executives (Share Matching Scheme)

Certain executives receive part of their variable remuneration for the financial year in the form of shares in Deutsche Post AG. If certain conditions are met, the executive will be awarded the same number of Deutsche Post AG shares four years later (matching shares). The cost of the matching shares is accounted for as an equity-settled share-based payment transaction in accordance with section 26 of FRS 102. The fair value of the matching shares at each grant date is shown in the table below. The shares received as part of variable remuneration plus the matching shares to be granted after the four-year period result in a minimum number of shares of approximately 14,287 (2020: 14,287 shares).

		2018			
	2017	Alternative	2019	2020	2021
	tranche	programme	tranche	tranche	tranche
		(see below)			
Grant date	1 Jan 2017	1 Mar 2018	1 Jan 2019	1 Jan 2020	1 Jan 2021
Term (months)	63	52	63	63	63
End of term	March	June	March	March	March
	2022	2023	2024	2025	2026
Share price at grant date (€)	31.24	27.30	23.91	34.01	40.50

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

5. STAFF COSTS - continued

Share-based payments for executives (Share Matching Scheme) - continued

In the first quarter of 2019, a decision was made not to grant a variable remuneration component to executives. This is why there is no 2018 tranche of the share matching scheme. As an alternative, executives were granted a voluntary investment in shares of Deutsche Post AG (the '2018 Alternative programme'). This investment could be made as a contribution or in the form of freely available Deutsche Post AG shares held in their custody account. Matching shares will be granted in the normal way at the end of the vesting period in June 2023.

A total charge of £93,000 (2020: £98,000 charge) has been recognised in staff costs with corresponding credit adjustments to equity of £82,000 (2020: £86,000 credit) and other taxation and social security creditors of £11,000 (2020: £12,000). This is attributable to the matching shares to be issued between April 2021 and April 2025.

Following the transfer of staff to DHL Services Limited there will be no further grants under the SMS accounted for in Tradeteam Limited.

Performance Share Plan (PSP) for executives

From 2014 onwards selected executives were invited to participate in the Group Performance Share Plan (PSP). Under the PSP shares are issued to participants at the end of the waiting period, linked to the achievement of demanding performance targets. The value of the PSP is measured using actuarial methods based on option pricing models.

A total of £542,000 charge (2020: £421,000 charge) has been recognised in staff costs with corresponding adjustments to equity of £475,000 (2020: £370,000) and other taxation and social security creditors of £67,000 credit (2020: £51,000 credit). The figures for 2021 represent the period up to the transfer of the trading activity, after which the impact of the plan is included in the financial statements of DHL Services Limited.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****6. DIRECTORS' EMOLUMENTS****Directors' emoluments**

	2021	2020
	£'000	£'000
Aggregate emoluments	373	520
Company contributions paid to money purchase pension schemes	18	14

Retirement benefits are accruing to two directors (2020: two directors) under defined benefit schemes, and to one director (2020: one director) under a money purchase scheme. Shares in the ultimate parent company, Deutsche Post AG, are accruing to two directors (2020: two directors) under long-term incentive plans. Two directors (2020: two directors) received shares in the ultimate parent company, Deutsche Post AG, during the year.

L Bridges and I Clough are directors of DHL Supply Chain Limited and a number of fellow group companies, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the companies. Accordingly, the above details include no remuneration in respect of L Bridges and I Clough, and their emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of DHL Supply Chain Limited. There is no recharge to Tradeteam Limited in respect of these services.

The emoluments of the remaining directors are shown above. The emoluments for G Murdoch are included for the period to the end of July 2021 and from then on are included within the emoluments of DHL Supply Chain Limited.

Key management personnel include directors of the company and representatives of the ultimate parent company. The key management personnel receive no payment from the company with regard to these services.

Highest paid director

	2021	2020
	£'000	£'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	175	313
Defined benefit pension scheme:		
Accrued pension at end of year	47	47

The highest paid director exercised share options during the year and is accruing benefits under a long-term incentive plan. The highest paid director had 9,594 shares (2020: 8,219 shares) in the ultimate parent company, Deutsche Post AG, receivable under a long-term incentive plan.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

7. OPERATING PROFIT/(LOSS)

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

	2021	2020
	£'000	£'000
Income from loan waiver	135,000	-
Other operating income	6,259	11,148
Operating lease rentals	12,384	25,279
Depreciation - owned assets	21	383
Impairment - owned assets	-	886
Impairment (credit)/charge on trade debtors	(965)	962
Amounts charged to income from adjustments to Other provisions (note 17)	22	3,650

The company's turnover and operating costs exclude £24,890,000 (2020: £139,996,000) of income and costs under the arrangement referred to in the accounting policy for stocks.

Operating lease rentals include £9,505,000 (2020: £21,062,000) relating to operating lease costs recharged by another group company.

The fees in respect of audit services were borne by DHL Supply Chain Limited. The amount of remuneration received by the auditors in respect of the audit for Tradetteam Limited was £60,430 (2020: £56,214). There have been no non-audit services in the year (2020: £nil).

Other operating income includes £4,908,000 (2020: £9,040,000) received through government Coronavirus Job Retention Schemes and £87,000 (2020: £1,588,000) of other provision releases for properties that are no longer vacant as they have been repurposed or handed back to the Landlord.

Income from loan waiver £135,000,000 (2020: £nil) was recognised due to the waiver of a loan from the ultimate UK parent company.

8. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest receivable from group undertakings	84	-
Discount rate adjustment (note 17)	65	-
	149	-

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2021	2020
	£'000	£'000
Interest payable to group undertakings	466	742
Other interest payable	112	233
Unwind of discount (note 17)	1	21
	<u>579</u>	<u>996</u>

10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

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	2020
	£'000	£'000
Current tax	-	(3)
Deferred tax		
Origination and reversal of timing differences	4,641	302
Impact of changes in tax rates	(36)	(508)
Adjustments in respect of prior years	(236)	(2,803)
Movement on UK deferred tax not recognised	(4,369)	3,009
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on profit/(loss) on ordinary activities	<u>-</u>	<u>(3)</u>

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES - continued****Reconciliation of tax charge**

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

	2021	2020
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	<u>128,914</u>	<u>(48,894)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	24,494	(9,290)
Effects of:		
Expenses not allowable for UK tax	3	59
Income not subject to UK tax	(25,650)	(3)
Transfer pricing adjustments	-	141
Movement arising from transfer of trade	4,119	-
Impact of changes in tax rates	(36)	(508)
Group relief surrendered to other group companies	1,675	9,395
Adjustments in respect of prior years	(236)	(2,803)
Tax on RDEC credit	-	(3)
Movement on UK deferred tax not recognised	<u>(4,369)</u>	<u>3,009</u>
Total tax on profit/(loss) on ordinary activities	<u>-</u>	<u>(3)</u>

The standard rate of corporation tax is 19% (2020: 19%).

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES - continued

Deferred tax

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

	2021	2020
	Unrecognised	Unrecognised
	£'000	£'000
Decelerated capital allowances	-	610
Other timing differences	151	347
Trading and other losses	-	3,563
	<hr/>	<hr/>
Net deferred tax asset	151	4,520

Deferred tax is calculated at 19% (2020: 19%).

The company had a net deferred tax asset at 31 December 2021 of £151,000 (2020: £4,520,000) 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 based on when the timing differences are expected to reverse.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

11. TANGIBLE ASSETS

	Land and buildings		Plant and	Vehicles	Fixtures	Total
	Freehold	Leasehold improvements	machinery		and fittings	
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
At 1 January 2021	107	237	3,090	4,437	373	8,244
Disposals	-	-	(953)	(305)	(18)	(1,276)
Transfers to group undertakings	(107)	(237)	(2,137)	(4,132)	(355)	(6,968)
At 31 December 2021	-	-	-	-	-	-
ACCUMULATED DEPRECIATION						
At 1 January 2021	38	237	3,090	4,371	373	8,109
Charge for year	1	-	-	20	-	21
Disposals	-	-	(953)	(304)	(18)	(1,275)
Transfers to group undertakings	(39)	(237)	(2,137)	(4,087)	(355)	(6,855)
At 31 December 2021	-	-	-	-	-	-
NET BOOK VALUE						
At 31 December 2021	-	-	-	-	-	-
At 31 December 2020	69	-	-	66	-	135

Freehold land and buildings include £nil (2020: £32,000) of freehold land which is not being depreciated.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****12. STOCKS**

	2021	2020
	£'000	£'000
Goods held for resale	<u>-</u>	<u>7,147</u>

The stocks shown above relate to stocks held within the network under the arrangement referred to in the accounting policy for stocks. There is no significant difference between the replacement cost in goods for resale and their carrying amounts.

13. DEBTORS

	2021	2020
	£'000	£'000
Trade debtors	23	7,702
Amounts owed by group undertakings	26,651	430
Other debtors	51	1,448
Prepayments and accrued income	42	1,163
	<u>26,767</u>	<u>10,743</u>
Amounts falling due after more than one year:		
Other debtors	<u>-</u>	<u>107</u>
Aggregate amounts	<u>26,767</u>	<u>10,850</u>

Trade debtors are stated after provisions for impairment of £7,000 (2020: £972,000).

Other debtors at 31 December 2021 include amounts totalling £40,000 (2020: £518,000) in respect of the arrangement referred to in the accounting policy for stocks.

Debtors due after more than one year of £nil at 31 December 2021 (2020: £107,000) relate to initial costs incurred when setting up a lease and lease incentives which are being amortised over the lease term. In 2020 this included an amount due after more than five years on a lease expiring in 2026. The lease was assigned to DHL Supply Chain Limited, a fellow group undertaking, during 2021.

Amounts owed by group undertakings are unsecured and repayable on demand, and include £26,632,000 (2020: £nil) on which the interest rate is the Sterling Overnight Index Average plus 68 basis points (0.68%). This interest spread is determined once a year ex ante.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade creditors	363	12,367
Amounts owed to group undertakings	8,084	99,322
Other creditors	239	5,862
Taxation and social security	10	1,808
Accruals and deferred income	650	4,680
	<u>9,346</u>	<u>124,039</u>

Trade creditors at 31 December 2021 include amounts totalling £250,000 (2020: £9,328,000) and other creditors include amounts totalling £100,000 (2020: £804,000) in respect of the arrangement referred to in the accounting policy for stocks.

Amounts owed to group undertakings are unsecured and repayable on demand, and include £nil (2020: £95,122,000) for an unsecured interest bearing loan on which the interest rate is LIBOR plus a margin of 60 basis points (0.60%) (2020: 60 basis points (0.60%)), plus £nil (2020: £3,477,000) on which the interest rate is the Sterling Overnight Index Average plus 68 basis points (0.68%) (2020: plus 70 basis points (0.70%)). This interest spread is determined once a year ex ante.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£'000	£'000
Other creditors	<u>-</u>	<u>625</u>

Creditors due after more than one year represent lease incentives, which are being amortised over the remaining lease term. The lease was assigned to DHL Supply Chain Limited, a fellow group undertaking, during 2021.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****16. OPERATING LEASE COMMITMENTS**

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

	2021 £'000	2020 £'000
Not later than one year	287	2,102
Later than one year and not later than five years	-	4,966
Later than five years	-	887
	287	7,955

Leases of land and buildings are typically subject to rent reviews at specified intervals.

17. PROVISIONS FOR LIABILITIES

	Uninsured losses £'000	Dilapidations £'000	Other £'000	Total £'000
Balance at 1 January 2021	899	1,354	3,241	5,494
Charged to the statement of comprehensive income	-	22	-	22
Unused amounts credited to the statement of comprehensive income	-	(20)	(67)	(87)
Transfer to group undertakings	(793)	(804)	(2,054)	(3,651)
Utilised	(106)	(111)	(1,119)	(1,336)
Unwind of discount	-	2	(1)	1
Discount rate adjustment	-	(65)	-	(65)
Balance at 31 December 2021	-	378	-	378

The uninsured losses provision is in respect of the costs of claims which are not insured externally, and fall below the excesses on the company's insurance policies. Claims can take several years to be settled. The provision was transferred to DHL Supply Chain Limited during the year.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. PROVISIONS FOR LIABILITIES - continued

Dilapidation provisions cover the costs of returning properties to conditions acceptable by the landlords/ lessors. These provisions are expected to be utilised by 2022.

Other provisions cover the costs incurred for vacant properties together with onerous lease provisions required as a consequence of the changes to the business resulting from the COVID-19 impact. The leases to which this relates were transferred to DHL Supply Chain Limited, a fellow group undertaking, during 2021.

18. CALLED UP SHARE CAPITAL

	2021 £'000	2020 £'000
Allotted and fully paid		
1,455 (2020: 1,455) ordinary shares of £1 each	<u>1</u>	<u>1</u>

There were no allotments during the year (2020: none).

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

19. EMPLOYEE BENEFIT OBLIGATIONS

The company participate 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 Section, the Ocean Section and the Tibbett & Britten 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.

TRADETEAM LIMITED (REGISTERED NUMBER: 03078367)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

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 net surplus of £297m (2020: £5m surplus).

Prior to the transfer of staff during the year, a small number of management and clerical employees were already employed by DHL Services Limited (a fellow group undertaking). The company received a charge from DHL Services Limited relating to those staff, which includes an element relating to pension costs. Further details of the accounting for defined benefit pension schemes are disclosed in the financial statements of DHL Services Limited. Pension contributions made in respect of employees providing services to Tradeteam Limited were £1,107,000 (2020: £4,403,000) during the financial year relating to both defined benefit and defined contribution schemes.

20. CONTINGENT LIABILITIES

(a) 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.

(b) For Value Added Tax (VAT) purposes, the company is grouped with other undertakings in a VAT group; under these arrangements the company has a joint and several liability for amounts owed by those undertakings to HM Revenue & Customs. The balance of VAT payable by the VAT group as at 31 December 2021 was £40,074,000 (2020: £61,321,000).

21. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Exel Holdings Limited. 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.