

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
LANDMARK GLOBAL (UK) LIMITED**

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

LANDMARK GLOBAL (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:

M D Halleux
F Gosiau

REGISTERED OFFICE:

Unit 3
Heathrow Logistics Par
Bedfont Road
Feltham
Middlesex
TW14 8EE

REGISTERED NUMBER:

03855411 (England and Wales)

AUDITORS:

Haines Watts
Chartered Accountants and Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

**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

2021 was a successful year for Landmark Global (UK) Limited with the Company achieving revenue growth of 34.2% and a gross margin improvement from 13.0% in 2020 to 14.3%. The Company was well positioned for Brexit at the start of the year and the subsequent IOSS changes which came into effect from 1st July 2021, which resulted in a relatively smooth transition for our customers. In addition to this, the Company continued to show its adaptability and resilience in navigating the fast-changing environment caused by the global pandemic.

The Company continues to see growth in its international tracked parcel distribution services and a decline in the traditional international untracked mail services, which is a consistent pattern seen across the industry. The market remains highly competitive, so the Company has continued to focus on customer service, but also long-term sustainability as key differentiators.

The current outlook for 2022 looks to be challenging with macro-economic factors leading to hyperinflation across the board on a global basis and a noticeable rise in fuel prices resulting in the introduction of fuel surcharges across the whole commercial market.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to an element of currency risk. However, the Company has assessed these risks and taken appropriate action to mitigate them.

In addition to the above, there is some exposure to credit risk, and in this regard, the Company carries out appropriate credit checks on potential customers before sales are made and continually monitors and investigates any aged debts.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company regards turnover, gross profit and EBIT as their key performance indicators.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

SECTION 172(1) STATEMENT

The Board of Directors of Landmark Global (UK) Ltd consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172 of the Companies Act 2006 in the decisions taken during the year ended 31 December 2021.

Landmark Global (UK) Ltd is a wholly owned subsidiary of bPost NV. During the year, the bpost group updated the group's strategy to increase the focus on logistics services provided in e-commerce, whilst aligning on a socially, ecologically and economically sustainable growth strategy.

In deriving this strategy, the Board considered the interests and the impact on all stakeholders:

Shareholders

Our shareholder wants Landmark Global (UK) Ltd to focus on the strategic aims of the Group, maximising our returns in a responsible way.

Customers

Our customers want an improved customer service experience through more frequent communication and reliable and timely deliveries at affordable prices to assist them in continuing to expand their own brands and businesses.

Employees

Landmark Global (UK) Ltd is an inclusive company offering employees the opportunity to develop. Employees want the company to provide security and to be kept informed on key strategic changes to the business, particularly those that affect them and their teams directly.

Suppliers

Our suppliers want to assist the Company with its expansion plans and service improvements whilst being mindful of the potential impact on their own revenue and margins.

Communities

The bpost group is committed to taking urgent action to combat climate change and operate in a more environmentally friendly way. The aim is to become a sustainability leader by investing in the right 'green' technologies under the Group's capital allocation plan.

Government and regulators

The Government and regulators want Landmark Global (UK) Ltd to comply with laws and regulations and operate in an ethical way.

ON BEHALF OF THE BOARD:

M D Halleux - Director

24 August 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

PRINCIPAL ACTIVITY

The company is a UK based mail, parcels and transport company providing services to the e-commerce and postal wholesale markets of the UK. The company also acts as an inbound and outbound gateway for other entities of bPost group around the world.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

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

M D Halleux
F Gosiau

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M D Halleux - Director

24 August 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LANDMARK GLOBAL (UK) LIMITED

Opinion

We have audited the financial statements of Landmark Global (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LANDMARK GLOBAL (UK) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LANDMARK GLOBAL (UK) LIMITED

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS102 - the Financial Reporting Standard applicable in the UK & The Republic of Ireland, the Companies Act 2006, the Civil Aviation Authority, European Law and relevant tax compliance regulations in the UK.

We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where management considered there was susceptibility to fraud. Audit procedures performed by the audit team included:

- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries, with a focus on entries made with unusual accounting combinations;
- Confirming with management whether they have knowledge of any actual, suspected or illegal fraud;
- Evaluating whether there was evidence of bias by management that represents a risk of material misstatement due to fraud.

These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LANDMARK GLOBAL (UK) LIMITED**

Use of our report

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

Ben Loveday FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

15 September 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	4	53,206,105	39,638,108
Cost of sales		<u>45,595,340</u>	<u>34,468,499</u>
GROSS PROFIT		7,610,765	5,169,609
Administrative expenses		<u>6,375,421</u>	<u>4,815,134</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		1,235,344	354,475
Tax on profit	7	<u>(228,000)</u>	<u>(12,461)</u>
PROFIT FOR THE FINANCIAL YEAR		1,463,344	366,936
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,463,344</u>	<u>366,936</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	8		25,900		31,834
Tangible assets	9		214,844		290,237
Investments	10		-		-
			240,744		322,071
CURRENT ASSETS					
Debtors	11	9,975,263		8,337,645	
Cash at bank		5,603,656		3,089,177	
		15,578,919		11,426,822	
CREDITORS					
Amounts falling due within one year	12	13,660,093		11,052,667	
NET CURRENT ASSETS			1,918,826		374,155
TOTAL ASSETS LESS CURRENT LIABILITIES			2,159,570		696,226
CAPITAL AND RESERVES					
Called up share capital	14		37,048,959		37,048,959
Retained earnings	15		(34,889,389)		(36,352,733)
SHAREHOLDERS' FUNDS			2,159,570		696,226

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 24 August 2022 and were signed on its behalf by:

M D Halleux - Director

F Gosiau - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	37,048,959	(36,719,669)	329,290
Changes in equity			
Total comprehensive income	-	366,936	366,936
Balance at 31 December 2020	<u>37,048,959</u>	<u>(36,352,733)</u>	<u>696,226</u>
Changes in equity			
Total comprehensive income	-	1,463,344	1,463,344
Balance at 31 December 2021	<u>37,048,959</u>	<u>(34,889,389)</u>	<u>2,159,570</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Landmark Global (UK) Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

The financial statements contain information about Landmark Global (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, bPost NV, Centre Boulevard Anspach 1/1, 1000 Brussels.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

- S/Term Leasehold Property - 10 years
- Plant & machinery - 5 years
- Computer equipment - 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is usually 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. **ACCOUNTING POLICIES - continued**

Foreign currencies

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

Pension costs and other post-retirement benefits

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

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

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful economic life of tangible fixed assets, provision for doubtful debts and the accrual of certain costs.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	49,668,644	37,087,217
Europe	1,887,862	1,579,450
Rest of the world	1,649,599	971,441
	<u>53,206,105</u>	<u>39,638,108</u>

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	4,137,976	3,198,564
Social security costs	282,358	235,792
Other pension costs	134,555	120,186
	<u>4,554,889</u>	<u>3,554,542</u>

The average number of employees during the year was as follows:

	2021	2020
Management and administration	25	20
Operational and warehouse	59	52
	<u>84</u>	<u>72</u>

	2021 £	2020 £
Directors' remuneration	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

6. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Hire of plant and machinery	106,797	98,116
Other operating leases	685,652	534,404
Depreciation - owned assets	117,972	135,384
Loss on disposal of fixed assets	-	4
Development costs amortisation	15,434	20,434
Auditors' remuneration	14,575	16,708
Foreign exchange differences	25,465	220,836

7. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	-	(12,461)
Deferred tax	(228,000)	-
Tax on profit	(228,000)	(12,461)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	1,235,344	354,475
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	234,715	67,350
Effects of:		
Expenses not deductible for tax purposes	8,037	8,511
Depreciation in excess of capital allowances	9,111	8,038
Utilisation of tax losses	(251,863)	(83,899)
Unrelieved tax losses carried forward	(228,000)	-
Group relief	-	(12,461)
Total tax credit	(228,000)	(12,461)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

8. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Totals £
COST			
At 1 January 2021	1	102,170	102,171
Additions	-	9,500	9,500
At 31 December 2021	<u>1</u>	<u>111,670</u>	<u>111,671</u>
AMORTISATION			
At 1 January 2021	1	70,336	70,337
Amortisation for year	-	15,434	15,434
At 31 December 2021	<u>1</u>	<u>85,770</u>	<u>85,771</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>25,900</u>	<u>25,900</u>
At 31 December 2020	<u>-</u>	<u>31,834</u>	<u>31,834</u>

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2021	325,158	457,839	344,529	1,127,526
Additions	555	20,249	22,470	43,274
Disposals	-	-	(707)	(707)
At 31 December 2021	<u>325,713</u>	<u>478,088</u>	<u>366,292</u>	<u>1,170,093</u>
DEPRECIATION				
At 1 January 2021	247,187	368,575	221,527	837,289
Charge for year	40,576	37,348	40,048	117,972
Eliminated on disposal	-	-	(12)	(12)
At 31 December 2021	<u>287,763</u>	<u>405,923</u>	<u>261,563</u>	<u>955,249</u>
NET BOOK VALUE				
At 31 December 2021	<u>37,950</u>	<u>72,165</u>	<u>104,729</u>	<u>214,844</u>
At 31 December 2020	<u>77,971</u>	<u>89,264</u>	<u>123,002</u>	<u>290,237</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2021 and 31 December 2021	<u>543,103</u>
PROVISIONS	
At 1 January 2021 and 31 December 2021	<u>543,103</u>
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	-

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade debtors	8,304,528	6,856,447
Amounts owed by group undertakings	565,175	796,290
VAT	121,963	-
Deferred tax asset	228,000	-
Prepayments and accrued income	755,597	684,908
	<u>9,975,263</u>	<u>8,337,645</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	3,199,742	2,375,259
Amounts owed to group undertakings	5,170,217	3,393,613
Social security and other taxes	100,989	585,725
Other creditors	2,729	164,168
Accruals and deferred income	5,186,416	4,533,902
	<u>13,660,093</u>	<u>11,052,667</u>

13. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	310,367	438,730
Between one and five years	3,300	269,167
	<u>313,667</u>	<u>707,897</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. LEASING AGREEMENTS - continued

During the year a total of £748,488 (2020 - £573,964) was charged to the Profit and loss account in respect of commitments under operating leases.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
34,247,599	Ordinary	£1.00	34,247,599	34,247,599
31,867,000	Ordinary	€0.10	2,801,360	2,801,360
			37,048,959	37,048,959

15. RESERVES

	Retained earnings £
At 1 January 2021	(36,352,733)
Profit for the year	1,463,344
At 31 December 2021	(34,889,389)

16. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme for employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounts to £134,555 (2020 - £120,186). There were contributions totalling £22,972 outstanding at the balance sheet date (2020 - £19,512).

17. RELATED PARTY DISCLOSURES

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

18. ULTIMATE CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is bPost NV, a company incorporated in Belgium. The financial statements of bPost NV can be obtained from Centre Boulevard Anspach 1/1, 1000 Brussels.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.