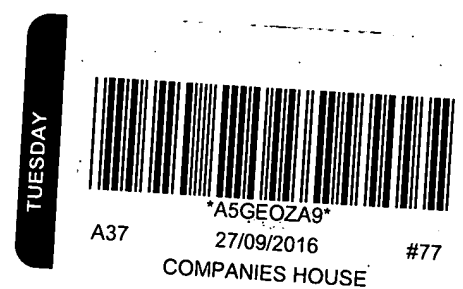


Registered Number 05770579

Angard Staffing Solutions Limited
Annual Report and Financial Statements
For the 52 weeks ended 27 March 2016



Angard Staffing Solutions Limited

Contents

Strategic report	2
Directors' report	3
Independent Auditor's Report to the members of Angard Staffing Solutions Limited	5
Income statement	6
Statement of comprehensive income.....	6
Statement of changes in equity.....	6
Balance Sheet.....	7
Notes to the financial statements	8

Angard Staffing Solutions Limited

Strategic report

Principal activities

The principal activity of Angard Staffing Solutions Limited ('the Company') is the provision of temporary labour for Royal Mail Group.

Results and dividends

Revenue for the 52 weeks ended 27 March 2016 increased by £23 million to £68 million (2014-15 £1 million decrease).

The profit before tax was £55,000 (2014-15 £55,000). The Directors do not recommend a dividend (2014-15 £nil).

Review of the business and future developments

The Company has established itself as a cost effective provider of temporary staff to Royal Mail Group. The Company is continuing to increase its share of the total temporary labour employed by Royal Mail Group with a continuing commitment to this provision.

Key Performance Indicators (KPIs)

The Directors consider a number of financial and non-financial KPIs in monitoring the performance of the Company, as follows:

- % of Royal Mail business for temporary labour;
- Customer Satisfaction;
- Employee Satisfaction; and
- Health and Safety for employees.

The Directors are satisfied that the Company has met its expectations with respect to the KPIs in this reporting period.

Principal risk and uncertainties

The Company is the preferred supplier of temporary industrial staff to Royal Mail Group and has no other customers. The Company is therefore susceptible to any change in approach by Royal Mail Group that would lead to either a reduction in the use of temporary industrial staff or a change to the preferred supplier.

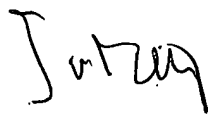
Risk arising from UK exit from the European Union (EU)

It is too early to assess the impact, if any, on the Company arising from the UK referendum decision to exit from the EU. The Company will continue to trade as now while new arrangements are negotiated and implemented, and continue to monitor and evaluate any risk that arises.

Corporate responsibility

The Company is committed to carrying out its activities in a socially responsible manner in respect of the environment, employees, customers and local communities. The Board of the ultimate parent company, Royal Mail plc, publishes details of its activities in its Annual Report and Financial Statements.

By Order of the Board



Jon Millidge

Director

Angard Staffing Solutions Limited

Registered Number 05770579

Registered Office 100 Victoria Embankment, London, EC4Y OHQ

16 September 2016

Directors' report

The Directors present the Annual Report and Financial Statements for the Company. These financial statements relate to the 52 weeks ended 27 March 2016 (2014-15 52 weeks ended 29 March 2015).

Directors and their interests

The following have served as Directors of the Company during the year ended 27 March 2016 and up to the date of approval of these financial statements unless otherwise stated:

Michael Jeavons

Jon Millidge

Reed Specialist Recruitment Limited

No Director has a beneficial interest in the share capital of the Company.

Research and development

Expenditure in the year amounted to £nil (2014-15 £nil).

Political donations

There were no political donations made in the year (2014-15 £nil).

Audit information

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Indemnity of Directors

To the extent permitted by the Companies Act 2006, the Company may indemnify any Director or former Director of the Company or any associated company against any liability. The ultimate parent undertaking, Royal Mail plc holds a Directors' and Officers' liability insurance policy covering the Directors and Officers or former Directors of its subsidiary undertakings against any liability.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this Report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

Going concern

After analysis of all the factors outlined in the Strategic report, the Directors of the Company consider it appropriate to prepare the financial statements on a going concern basis.

Auditor

Following an audit tender process, the proposal to appoint KPMG LLP as external auditor was approved during the year. KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Employees

The Company depends on the skills and commitment of its employees in order to achieve its objectives. Employee satisfaction is one of the key drivers in our business success and is included as a KPI. Our Employee Survey helps us identify the areas where we are doing well and those we need to improve.

The Company will not discriminate against employees on the grounds of race, colour, ethnic or national origin, nationality, disability, marital or civil partner status, sexual orientation, pregnancy or maternity, age, religion or belief (including political opinion in Northern Ireland), sex and gender reassignment.

The Company is committed to promoting fair participation and equality of opportunity for all our employees and job applicants. We aim to create an environment in which all individuals are able to make best use of their skills, free from discrimination or harassment. The Company's policy is to provide opportunities based on an employee's performance and skills.

The Company had 5,064 employees on average during the 52 weeks ended 27 March 2016 (2014-15 3,635).

Directors' report (continued)

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidates' particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Strategic report

In accordance with s414c(ii) of the Companies Act, the Company has set out certain information in its Strategic report that is otherwise required to be disclosed in the Directors' report. This includes information regarding results and activities, dividends and a description of the principal risks and uncertainties facing the Company.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Strategic report, the Directors' report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board



Michael Jeavons

Director

Angard Staffing Solutions Limited

Registered Number 05770579

Registered Office 100 Victoria Embankment, London, EC4Y OHQ

16 September 2016

Independent Auditor's Report to the members of Angard Staffing Solutions Limited

We have audited the financial statements of Angard Staffing Solutions Limited for the year ended 27 March 2016 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 an auditor's report 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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

21 September 2016

Angard Staffing Solutions Limited

Income statement

for the 52 weeks ended 27 March 2016 and 52 weeks ended 29 March 2015

	Notes	2016 £000	2015 £000
Continuing operations			
Revenue		67,847	45,250
People costs	2	(63,381)	(41,317)
Other operating costs	4	(4,411)	(3,878)
Profit before tax		55	55
Tax credit	5	5	18
Profit for the year		60	73

Statement of comprehensive income

for the 52 weeks ended 27 March 2016 and 52 weeks ended 29 March 2015

There is no comprehensive income other than the profit attributable to the Company of £60,000 (2014-15 £73,000).

Statement of changes in equity

for the 52 weeks ended 27 March 2016 and 52 weeks ended 29 March 2015

	Notes	Share Capital £'000	Retained earnings £'000	Total equity £'000
Balance at 30 March 2014		-	72	72
Profit for the year		-	73	73
Balance at 29 March 2015		-	145	145
Profit for the year		-	60	60
Balance at 27 March 2016		-	205	205

Angard Staffing Solutions Limited

Balance Sheet

at 27 March 2016 and 29 March 2015

	Notes	2016 £000	2015 £000
Non-current assets			
Deferred tax asset	5	24	19
Current assets			
Trade and other receivables	6	4,947	1,622
Cash and cash equivalents		213	1,038
		5,160	2,660
Current liabilities			
Trade and other payables	7	(4,979)	(2,534)
Net assets		205	145
Equity			
Share capital	8	-	-
Retained earnings		205	145
Total equity		205	145

The financial statements on pages 6 to 12 were approved by the Board of Directors on 16 September 2016 and were signed on its behalf by:



Michael Jeavons

Director

Angard Staffing Solutions Limited

Registered Number 05770579

Registered Office 100 Victoria Embankment, London, EC4Y OHQ

16 September 2016

Notes to the financial statements

1. Accounting policies

The following accounting policies apply throughout the Company:

Financial year

The financial year ends on the last Sunday in March and accordingly, these financial statements are made up to the 52 weeks ended 27 March 2016 (2014-15 52 weeks ended 29 March 2015).

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the year ended 27 March 2016 were authorised for issue by the board of Directors on 16 September 2016. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

Basis of preparation

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. No adjustments arose within the Company as a result of this transition. The accounting policies which follow, set out those policies which apply in preparing the financial statements for the year ended 27 March 2016.

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

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

No cash flow statement has been presented as the Company is a wholly-owned subsidiary of a company, Royal Mail plc, which has presented a consolidated cash flow statement within its Group financial statements.

Accounting standards issued but not yet applied

No new UK Accounting Standards, which affect the presentation of these financial statements, have been issued.

Changes in accounting policy

The accounting policies are consistent with those of the previous year other than where there has been a consequential change resulting from the transition to FRS 101.

Key sources of estimation uncertainty and critical accounting judgements

Due to the relatively straightforward nature of the Company and its operations there are not believed to be any significant estimates or accounting judgements applied in the preparation of these financial statements.

Intercompany transactions

The Company makes use of the services of other companies within Royal Mail Group in order to take advantage of Group synergies, having regard to the mutual dependencies that exist. The intercompany transactions recognise these dependencies and are reached through negotiation between the respective businesses.

Revenue recognition

All revenue comprises reimbursement of people costs and administrative charges incurred by the Company in performing its principal activity of providing temporary resource to Royal Mail Group. Revenue is recognised at the point when contractual obligations are met.

Angard Staffing Solutions Limited

1. Accounting policies (continued)

Income tax and deferred tax

The charge for current tax is based on the results for the reporting year as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are recognised for all taxable and deductible temporary differences and unused tax assets and losses except:

- Initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss; and
- Taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which they can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and increased or reduced to the extent that it is probable that sufficient taxable profit will be available to allow them to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the tax asset is realised or the liability is settled, based on tax rates (and tax laws) that have been substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Current and deferred tax is charged or credited directly to equity if they relate to items that are credited or charged directly to equity, otherwise it is recognised in the income statement.

2. People costs and numbers

The Company meets the full costs of employment for its members of staff. The following information is provided about these people:

	52 weeks 2016 £000	52 weeks 2015 £000
Wages and salaries costs	(59,397)	(38,785)
Social security costs	(3,756)	(2,388)
Pension costs	(228)	(144)
Total	(63,381)	(41,317)

Staff numbers, calculated on a headcount basis and including part-time employees were:

	Period end employees		Average employees	
	52 weeks 2016	52 weeks 2015	52 weeks 2016	52 weeks 2015
Total employees	6,085	3,869	5,064	3,635

3. Directors' remuneration

The Directors, excluding Reed Specialist Recruitment Limited, are employees of other undertakings within the Royal Mail Group and did not perform substantive services for the Company during the year, therefore the Directors did not receive any remuneration from the Company during the year (2014-15 £nil).

There are no pension contributions to Directors in respect of qualifying services.

Angard Staffing Solutions Limited

4. Other operating costs

	52 weeks 2016 £000	52 weeks 2015 £000
The operating profit from continuing operations is stated after charging:		
Management fees	100	200
Reed Specialist Recruitment Ltd costs	3,712	3,333

Auditor's remuneration amounted to £8,500 (2014-15 £7,129) for the audit of the statutory financial statements and was met by the immediate parent company, Royal Mail Group Limited. The auditor did not provide any non-audit services for the years ended 27 March 2016 and 29 March 2015.

5. Tax

	52 weeks 2016 £000	52 weeks 2015 £000
(a) Tax credit recognised in the year		

Tax credited in the income statement

Current income tax:

Current UK income tax charge	-	-
------------------------------	---	---

Deferred tax:

Origination and reversal of temporary timing differences	7	18
Effect of change in tax rates	(2)	-
Total deferred income tax credit	5	18
Tax credit in the income statement	5	18

(b) Reconciliation of the total tax credit

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2014-15 21%). The differences are explained below:

	52 weeks 2016 £000	52 weeks 2015 £000
Profit on ordinary activities before tax	55	55
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014-15 21%)	(11)	(12)
Effect of change in tax rates	(2)	(1)
Effect of group relief surrenders from other companies	18	31
Tax credit in the income statement	5	18

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20 per cent to 19 per cent (effective from 1 April 2017) and to 18 per cent (effective 1 April 2020) were substantively enacted on 26 October 2015. In future, this will reduce the Company's current tax charge accordingly. In accordance with accounting standards, the effect of these rate reductions on deferred tax balances has been reflected in these accounts, dependent upon when temporary differences are expected to reverse.

In his budget of 16 March 2016 the Chancellor of the Exchequer announced that the UK corporation tax rate will reduce to 17 per cent (effective 1 April 2020). This will supersede the rate of 18 per cent already enacted. This announced reduction in rate is not expected to significantly affect the deferred tax assets and liabilities of the Company.

Angard Staffing Solutions Limited

5. Tax (continued)

(d) Deferred tax

	At 27 March 2016 £000	At 29 March 2015 £000
Short-term timing differences	24	19
Total	24	19

The movement on deferred tax is shown below:

	£000
Deferred tax asset at 30 March 2015	19
Total deferred income tax credit	5
Deferred tax asset at 27 March 2016	24

6. Trade and other receivables

	At 27 March 2016 £000	At 29 March 2015 £000
Trade receivables	136	1
VAT debtor	-	80
Prepayments and accrued income	-	4
Amount due from parent company	4,811	1,537
Total	4,947	1,622

7. Trade and other payables

	At 27 March 2016 £000	At 29 March 2015 £000
Trade creditors and accruals	(3,981)	(1,747)
Social security	(998)	(787)
Total	(4,979)	(2,534)

8. Issued share capital

	At 27 March 2016 £	At 29 March 2015 £
Allotted and fully paid		
One ordinary shares of £1 each	1	1
Total	1	1

Angard Staffing Solutions Limited

9. Related party information

The Company has taken advantage of one of the exemptions conferred by FRS 101.8(k), whereby certain details regarding transactions with 100% owned subsidiaries within the same Group do not have to be disclosed where Group financial statements are publicly available.

	Purchases/ recharges from related party		Amounts owed to related party including outstanding loans	
	52 weeks 2016 £000	52 weeks 2015 £000	At 27 March 2016 £000	At 29 March 2015 £000
Reed Specialist Recruitment Limited	3,712	3,333	746	112

Reed Specialist Recruitment Limited is a Director of the Company and the £3,712,000 (2014-15 £3,333,000) purchases, relate to administrative fees for recruitment functions.

The sales to and purchases from related parties are made at market prices. Balances outstanding at the year end are unsecured, interest free and settlement is made by cash.

10. Post balance sheet events

Risk arising from UK exit from the European Union (EU)

Following the UK decision on 23 June 2016 to leave the EU, whilst there has been no immediate impact on the Company, it is closely monitoring the situation in order to identify any emerging issues or risks.

11. Immediate and ultimate parent company

At 27 March 2016, Royal Mail Group Limited is the immediate parent company and Royal Mail plc is the ultimate parent company. The results of the Company are included in the Royal Mail plc Annual Report and Financial Statements, which are available from the Company Secretary, 100 Victoria Embankment, London, EC4Y 0HQ or at www.royalmailgroup.com.