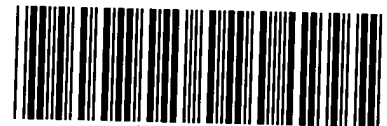


Registered Number 05770579

Angard Staffing Solutions Limited
Annual Report and Financial Statements
2014 – 2015

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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 29 March 2015 decreased by £1 million to £45 million (2014 52 weeks £46 million).

The profit before tax for the 52 weeks to 29 March 2015 was £55,000 (2014 52 weeks £37,000). The Directors do not recommend a dividend (2014 £nil dividend).

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 KPI's this reporting period.

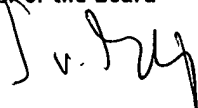
Principal risk and uncertainties

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.

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 immediate parent company, Royal Mail Group Limited, publishes details of its activities in its Annual Report and Financial Statements.

By Order of the Board



Jon Millidge

Director

7 September 2015

Directors' Report

The Directors present the Annual Report and Financial Statements for the Company. These financial statements relate to the 52 weeks ended 29 March 2015 (2014 52 weeks ended 30 March 2014).

Directors and their interests

The following have served as Directors of the Company during the period ended 29 March 2015 and up to the date of approval of these financial statements unless otherwise stated:

Reed Specialist Recruitment Limited

Mick Jeavons

Jon Millidge

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

Research and development

Expenditure in the period amounted to £nil (2014 £nil).

Political donations

There were no political donations made in the period (2014 £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

Royal Mail plc reported in its 2013-14 Annual Report and Financial Statements that it would initiate a competitive tender process in light of emerging best practice, new requirements with respect to audit tenure and the fact that the existing auditor, Ernst & Young LLP, had been the incumbent since 1986 with no tender process since that date.

A rigorous tender process was conducted during the year which resulted in the Royal Mail plc Audit and Risk Committee recommending to the Board of Royal Mail plc that KPMG LLP is appointed auditor with effect from the 2015-16 financial year. Shareholder approval for this appointment was obtained at the Royal Mail plc Annual General Meeting held on 23 July 2015. This appointment will also apply to the Company for the 2015-16 financial year.

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 3,635 employees on average during the 52 weeks ended 29 March 2015 (2014 3,368).

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.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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). The financial statements are required by law to 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 those 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Strategic Report

To enable the assessment of how the Directors have performed their duty to promote the success of the Company, the Companies Act 2006 requires the Directors to set out in this report a fair review of the business of the Company during the year, the position of the Company at the end of the year and a description of the principal risks and uncertainties facing the Company. Information fulfilling these requirements can be found in the Strategic Report.

By order of the Board



Mick Jeavons

Director

Angard Staffing Solutions Limited

Registered Number 05770579

Registered Office 100 Victoria Embankment, London, EC4Y 0HQ

7 September 2015

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 period ended 29 March 2015 which comprise Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the Balance Sheet, and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 29 March 2015 and of its profit for the period 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

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.



Kathryn Barrow (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
10 September 2015

Angard Staffing Solutions Limited

Profit and loss account

for the 52 weeks ended 29 March 2015 and 52 weeks ended 30 March 2014

	Notes	2015 £000	2014 £000
Continuing operations			
Revenue		45,250	46,255
People costs	2	(41,317)	(42,628)
Other operating costs	4	(3,878)	(3,590)
Profit before tax		55	37
Tax credit	5	18	1
Profit for the period		73	38

Statement of total recognised gains and losses

for the 52 weeks ended 29 March 2015 and 52 weeks ended 30 March 2014

There are no recognised gains and losses other than the profit attributable to the Company of £73,000 (2014 £38,000).

There is no statement of historical cost profits and losses as the financial statements are produced under the historic cost accounting convention.

Reconciliation of movements in shareholder's funds

for the 52 weeks ended 29 March 2015 and 52 weeks ended 30 March 2014

	2015 £000	2014 £000
Opening shareholder's funds	72	34
Total recognised profit for the period (see above)	73	38
Closing shareholder's funds	145	72

Angard Staffing Solutions Limited

Balance Sheet

at 29 March 2015 and 30 March 2014

	Notes	2015 £000	2014 £000
Current assets			
Deferred tax asset	5	19	1
Debtors – receivable within one year	6	1,622	1,718
Cash at bank and in hand		1,038	1,067
		2,679	2,786
Current liabilities			
Creditors – amounts falling due within one year	7	(2,534)	(2,714)
Net assets		145	72
Capital and reserves			
Called up share capital	8	-	-
Retained earnings	9	145	72
Shareholder's funds		145	72

The financial statements on pages 7 to 12 were approved by the Board of Directors on 7th September 2015 and were signed on its behalf by:



Mick Jeavons

Director

Angard Staffing Solutions Limited

Registered Number 05770579

Registered Office 100 Victoria Embankment, London, EC4Y 0HQ

7 September 2015

Angard Staffing Solutions Limited

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 for the 52 weeks ended 29 March 2015 (2014 52 weeks ended 30 March 2014).

Basis of preparation

The financial statements on pages 7 to 12 have been prepared in accordance with applicable UK Accounting Standards and law, including the requirements of the Companies Act 2006. Unless otherwise stated in the accounting policies below, the financial statements have been prepared under the historic cost accounting convention.

The financial statements present information about the Company as an individual undertaking.

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

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.

Changes in accounting policy

The accounting policies are consistent with those of the previous financial period.

Interbusiness trading

The Company makes use of the services of other companies within the Royal Mail plc Group in order to take advantage of Group synergies, having regard to the mutual dependencies that exist. The interbusiness charges 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 acting in its principal activity of providing temporary resource to Royal Mail Group. Revenue is recognised at the point when contractual obligations are met.

Deferred tax

Deferred tax is generally provided in full on timing differences at the balance sheet date, at rates expected to apply when the tax liability (or asset) crystallises based on substantively enacted tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax is not recognised in the following instances:

- on gains on disposal of fixed assets where, on the basis of available evidence, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when there is a commitment to dispose of those replacement assets;
- on unremitted earnings of subsidiaries and associate where there is no commitment to remit those earnings; and
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited directly to reserves if it relates to items that are credited or charged directly to reserves. Otherwise it is recognised in the profit and loss account.

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 2015 £000	52 weeks 2014 £000
Wages and salaries costs	(38,785)	(39,924)
Social security costs	(2,388)	(2,598)
Pension costs	(144)	(106)
Total	(41,317)	(42,628)

Angard Staffing Solutions Limited

2. People costs and numbers (continued)

People numbers

	Period end employees		Average employees	
	52 weeks 2015	52 weeks 2014	52 weeks 2015	52 weeks 2014
Angard Staffing Solutions Limited	3,869	3,479	3,635	3,368

3. Directors' emoluments

The Directors did not receive any emoluments from the Company during the period (2014 £nil). The Directors, excluding Reed Specialist Recruitment Limited, are employees of another undertaking within the Royal Mail plc Group. The remuneration for these Directors' was paid by this other undertaking. The Directors do not believe that it is practical to apportion this amount between their services as Directors of the Company and their services as employees or Directors of the fellow subsidiary undertaking.

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

4. Other operating costs

	52 weeks 2015 £000	52 weeks 2014 £000
The operating profit from continuing operations is stated after charging:		
Management fees	200	200
Reed Specialist Recruitment Ltd costs	3,333	3,055

Auditor's remuneration amounted to £7,129 (2014 £7,749) 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 periods ended 29 March 2015 and 30 March 2014.

5. Tax

(a) Tax gains/losses recognised	52 weeks 2015 £000	52 weeks 2014 £000
Tax charge in the profit and loss account:		
Corporation tax charge for period	-	-
Tax over-provided in previous periods	-	-
Current tax	-	-
Deferred tax credit	18	1
Total tax credit	18	1

(b) Factors affecting the current tax charge on profit on ordinary activities

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 21% (2014 23%). The differences are explained below:

	52 weeks 2015 £000	52 weeks 2014 £000
Profit on ordinary activities before tax	55	37
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 23%)	(12)	(9)
Provision deductible when incurred	(19)	(1)
Effect of group relief surrenders from other companies	31	10
Total current tax charge (see above)	-	-

Angard Staffing Solutions Limited

5. Tax (continued)

(c) Deferred tax asset

	52 weeks 2015 £000	52 weeks 2014 £000
Deferred tax – short-term timing differences	19	1
Total	19	1

In July 2013 tax rates of 21 per cent for 2014-15 and 20 per cent for subsequent years were enacted.

6. Debtors – receivable within one year

	At 29 March 2015 £000	At 30 March 2014 £000
Trade receivables	1	2
VAT debtor	80	54
Prepayments and accrued income	4	16
Amount due from parent company	1,537	1,646
	1,622	1,718

7. Creditors – amounts falling due within one year

	At 29 March 2015 £000	At 30 March 2014 £000
Trade creditors and accruals	(1,747)	(1,670)
Social security	(787)	(1,044)
	(2,534)	(2,714)

8. Called up share capital

	At 29 March 2015 £	At 30 March 2014 £
Allotted and issued		
Ordinary shares of £1 each	1	1
Total	1	1

Angard Staffing Solutions Limited

9. Reserves

	Profit and loss account	
	At 29 March 2015	At 30 March 2014
	£000	£000
At 31 March 2014 and 1 April 2013	72	34
Profit for the period	73	38
At 29 March 2015 and 30 March 2014	145	72

10. Related party disclosures

Royal Mail Group Limited is the immediate parent company of Angard Staffing Solutions Limited. Royal Mail plc is the ultimate parent company.

Related party transactions

The Company has taken advantage of one of the exemptions conferred by FRS 8 'Related Party Disclosures', 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 2015	52 weeks 2014	At 29 March 2015	At 30 March 2014
	£000	£000	£000	£000
Reed Specialist Recruitment Limited	3,333	3,055	-	81

Reed Specialist Recruitment Limited is a Director of the Company and the £3,333,000 (2014 £3,055,000) 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 period end are unsecured, interest free and settlement is made by cash.

11. Immediate and ultimate parent company

At 29 March 2015, the Directors regarded Royal Mail Group Limited as the immediate parent company and Royal Mail plc as 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.