Annual Report and Financial Statements
G3 Worldwide Mail (UK) Limited

For the year ended 31 December 2022

Registered number: 00545421

Company Information

Directors	C Lee N Hague
Company secretary	S Tang
Registered number	00545421
Registered office	Unit 9 Trident Way International Trading Estate Southall UB2 5LF United Kingdom
Independent auditor	KPMG LLP 15 Canada Square London E15 5GL

Contents

Strategic Report

For the year ended 31 December 2022

The Directors present their strategic report for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity during the year was the provision of international mail and parcel services. The directors do not envisage any material departure from this as principal activity in the foreseeable future. The combination of mail and parcel services provides a comprehensive and integrated set of international logistic solutions to our customers.

BUSINESS REVIEW

G3 Worldwide (UK) Limited operating under Spring-UK, faced continued challenging economic and market conditions in the year 2022. The economic outlook worsened and was dependent on the extent to which the global economy recovered from Covid. The war in Ukraine has increased our energy cost, impacted our supply chains, closed some eastbound routes, and increased the cost of transport worldwide, in particular air conveyance costs in Asia and the Far East were impacted severely.

Despite this, we continued to benefit from some Covid tailwinds from consumers continued online shopping, the business was able to achieve in line with our strategy and purpose, revenue growth of 8.8% in the year. The growth of eCommerce volumes is in line with our business strategy and purpose. We continue to add new customers with simplified customs solutions, new routes, services, carriers, as well as develop our collect and customer returns propositions. International mail revenues increased in line with higher-than-expected revenues from key business mail customers.

The Company reports a business loss before tax of £277k. Gross profit margin decreased from 15.1% in 2021 to 14.0% in 2022. Margins were slightly lower in the year, impacted by higher-than-expected delivery, transport, and energy costs. Margins may continue to be impacted but with continued growth in revenue. Targeted margin improvement plans (offering more profitable product/channel mix) and improvements in operations through automation are ongoing. Collections of client material are now well-managed however remain an area of attention and focus. Administration expenses have increases 0.8% due to inflationary pressures and the Company continues to invest in growth, with the addition of the Haydock consolidation hub to better service our clients and drive further growth.

The directors view the business as well positioned to deliver its ambitions and strategic growth plans and increase its market share relative to the market.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are set our below. The Directors and the members of the UK Management team formally review risks.

We operate a supply chain risk operating model & a risk governance framework.
Spring has defined risk management as a continuous structured and formal process to identify, control and report risks that could impact the achievement of the business objectives. The contexts for risks are varied and at Spring-UK these include strategic, general daily operations, third party management (including suppliers and contractors), financial, information security, environmental and quality. The risk framework is an integral part of our business process and is aligned with our internal controls.

Spring UK's senior management team recognise that managing risk is an essential part of our business as it directly impacts our reputation and our ability to deliver on time, every time. We clearly understand our significant risks, their likelihood and potential impact. The level of risk we take, or accept, is balanced against the benefits and risk appetite: with low, medium and high-risk categories clearly mapped.

Strategic Report (Continued)

For the year ended 31 December 2022

Competition

The Company along with its fellow PostNL group overseas subsidiaries operate in a highly competitive cross-border and domestic market, particularly around price and service.

In order to mitigate this risk our sales and commercial teams monitor market prices and service performance on an ongoing basis.

The year 2022 represented a change in customer behaviour with differing operating models in relation to eCommerce and parcel delivery. Easier customs solutions, compliance, and corporate sustainability (green delivery) became more important to customers. In this respect, we saw growth in new segments especially in the shift to EU fulfilment and bonded warehousing to achieve compliance on VAT and customs. We have adapted quickly in this area with tailored solutions to meet customer expectations; more cost-effective, more reliable, and higher quality service to meet our customer needs.

Competition is driven by technology, data and online experience. Digitisation is now key to success. Marketplaces are building end to end capabilities either in house or via network and we must remain aware of changes and stay connected.

Sustainability remains a key competitive differentiator. We are delivering green parcel delivery in the Netherlands and are moving towards a carbon-neutral business model, with carbon off-setting and a switch to electric vehicles.

Employees

Spring values people as the most important asset. The Company's performance depends on both its employees and those of its fellow PostNL group companies. The resignation of key individuals and the inability to recruit people (due to wage inflation) with the right experience from local communities could adversely impact the results.

Our HR strategy is in place to accommodate our future growth. Health and Safety at work and creating a pleasant place to work remained a priority this year with upgraded facilities in our UK Sorting centre (GLM). Our wellness and Stay Healthy programs further contribute to this aim.

For training and development, there is a big focus on digitalisation and implementing the new CRM system, while change and transformation is managed through learning and development (online and formal).

Connecting teams through communities, weekly newsletters and town hall meetings brings our employees together.

Our employee survey yielded strong employee satisfaction, engagement, and commitment. Over 90% of the UK workforce responded to the employee survey. Commitment & engagement results remain the highest in PostNL and Spring.

Economic and Political Risks

The war in Ukraine had adverse effect on our costs, supply chain, business confidence and customer behaviour which could impact the volumes of letter and parcels we deliver. Inflationary cost pressures and lower GDP and reduced disposable income reducing demand for our customers products. Further, there is an increased threat of cyber-attacks. To offset these risks, we have been proactive in finding new and more resilient supply-chain solutions. The application of surcharges to offset rising fuel surcharges apply to all customers. We continue to monitor political and policy changes as appropriate and review customer profitability where necessary.

Strategic Report (Continued)

For the year ended 31 December 2022

KEY PERFORMANCE INDICATORS

The board monitors progress of the business by reference to KPIs.

Performance during the year, together with historical trend data is set out in the table below:

KPI	2022	2021	Explanation of movement
Revenue Growth/(Decline)%	8.8%	1.8%	Significant growth in e-commerce business and our Spring Clear products, mainly due to investments into e-commerce platforms and customs solutions.
Gross Profit %	14.0%	15.1%	Slightly lower than previous year, price and marginality was managed through the effective use of financial instruments on hedging, product-mix, and appropriate surcharges to offset increases in fuel and air freight costs. Collection and some investment costs were higher than previous period.
Administration expenses as % of turnover	14.5%	13.7%	Admin cost have increased as a pre curser to planned growth beyond 2022 with investment into consolidation hub in Haydock and additional sales force. In the course of 2022 we also had an office refurbishment to improve working conditions.

The board also monitors other KPIs, such as:

- Postage as a percentage of revenue
- Revenue per kilo of postage
- Postage cost per kilo

But due to their commercial sensitivity, these are not included in this report.

Strategic Report (Continued)

For the year ended 31 December 2022
BUSINESS STRATEGY

Spring is the international subsidiary of PostNL, ranked in the top 5 postal companies in the world. Our strategy continues to invest in customers and business growth. Our Strategy is:

- Business growth: Multi-year high growth of eCommerce volumes
- Simplification: Automation software to perform improvement and simplify our product proposition.
- Digitalisation: Visibility based on events in our network and operations, with structural programs across the enterprise of Spring and PostNL.
- Process Improvement: Focus on effectiveness, doing the right things for our customers and business.

Our prime focus remains our customers, offering solutions that are customised and flexible to their business, as well as simplifying our customer offering. By getting closer to our customers, we can build better relationships and deliver more value.

We have grown sustainably and profitably in the last years because of focus and targeted investments. Spring UK continues to invest in growth, with a new facility in the Northwest and a new CRM system to support customers and employee interaction.

We are now an established eCommerce service provider, connecting customers across borders with clearance solutions that meet the market needs. Our XBS shipping platform continues to develop new propositions, with new IT and connectivity. We continue to invest in new carriers. Our solutions now connect to the majority of the UK's most used E-Commerce Platform, and due to the ease of integration, we continue to unlock marketplaces and sales channels where there is a business need.

Spring is seen in the market as an agile, customer centric eCommerce logistics company, with a focus on e-tailers in specific sectors and size. With destination and solution focus, there is a potential to capture higher market share and further grow revenue profitably. Our customs solutions continue to expand, and we are on course to have licensed (AEO, IATA) facilities with flexibility, control and continuous simplification of new solutions to main overseas destinations which are a must and a key component of our strategy. Spring must take advantage of new markets outside of the European Union. We need to accelerate and broaden our returns and delivered duty paid (DDP) propositions to make this more relevant to global destination beyond the European Union, and continue adding new destinations to our Spring Clear portfolio.

Demonstrating leadership in our corporate and social responsibility (CSR) is all about sustainability and this is a core priority. All our employees are educated in our Orange Compass and new Spring DNA values. We continue to invest and differentiate in this area – shipping CO2 Neutral. We know this is important to our customers.
We continue to support sustainable growth, operate responsibly, and provide sustainable products and services to our customers increasingly demand.

In summary, with the pace of change in our market, data and technology is at the core of our business. Given the backdrop of economic uncertainty, this is more important than ever. We see opportunities to improve profitability and leverage our business model to be more global, digital, green and diverse.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a number of financial risks that include price risk, credit risk, liquidity risk and foreign exchange risk. The company has in place a risk management policy that seeks to minimise any adverse effects on the financial performance of the company. The policies set by the Board of Directors are implemented by the company's finance department as required.

Price risk

The Company is exposed to price risk particularly in the main costs which are postal and transportation in its cost of sales. Also exposed to cost increases is its overhead costs. Cost of sales increases are reviewed, and long-term price rises to the business are passed through pricing action when appropriate, in line with the overall mail market. Administration costs are closely monitored and through competitive tendering and robust purchasing controls, the overall cost base of the business in kept low.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company uses third party online credit evaluations and recommended credit limits as well as Companies House information, including latest financial statement submissions, to ensure trade debt levels are maintained within credit limits, therefore maintaining credit risk within approved levels.

Liquidity risk

The Company actively monitors its working capital requirements to ensure that it has sufficient funds for its operations. The Company operates on a cash pooling arrangement managed by the group and have full access to the funds. The requirement for medium- and long-term debt finance will be reviewed by the board of directors based on the Company's forecasts. The business has no debt and significant funds held with Post NL group companies. Therefore has minimal liquidity risk while business trades profitably.

Foreign exchange risk

The company's revenue has exposure to movements in exchange rates, particularly the Euro, as revenue is almost all in its functional currency, but a significant proportion of its postage costs are in Euros. Each year in line with group policy to mitigate this foreign exchange risk within all subsidiary entities, the company enters hedge transactions for 75% of forecast Euro exposure for each month of the next trading year. The hedge transactions mitigate the company's exposure to movements in the Euro exchange up to the accepted risk level.

SUPPLIER PAYMENT POLICY

Supplier Operating Principles and Payment Policy was updated in August 2021. The company agrees terms and conditions under which business transactions with suppliers are conducted. It is company policy that, provided a supplier is complying with the relevant terms and conditions, including the prompt and complete submission of all specified documentation, payment will be made in accordance with the agreed terms. It is company policy to ensure that suppliers know the terms on which payment will take place when business is agreed. The average number of days taken to pay the company's trade suppliers calculated in accordance with the requirements of the Companies Act is 2.63 days (2021: 4.98 days). The policy was also expanded to bring it up to date and aligned with our strategy.

Strategic Report (Continued)
For the year ended 31 December 2022

EMPLOYEES

The employee handbook has been updated in line with recent changes to guidance. Spring and HR and Quality work very hard to ensure that every aspect and every piece of legislation are updated. Incorporated in the employee handbook and communicated and enshrined in what we do. A good example would be a revised Policy Statement stating that the management of Spring-GDS, UK has a zero-tolerance approach to modern slavery and human trafficking and are committed to acting ethically and with integrity in all business dealings and relationships. This policy enforces effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our supply chain.

Modern slavery is a crime and a violation of fundamental human rights where a person's liberty is illegally exploited for personal or commercial gain. It takes various forms such as slavery, servitude, forced and compulsory labour and human trafficking. It is a crime that affects people of all genders, ages (including children) and ethnicities and involves people being coerced and/or forced into providing a service for others. The scope of this policy applies to all Spring-GDS' UK employees, contractors working on behalf of Spring-GDS, UK as well as our suppliers and other business partners.

The Head of Finance and Procurement is responsible for communicating and maintaining this policy as well as ensuring this policy is reviewed and revised. A policy review is mandatory every year.

The Managing Director and the management team are responsible for implementing this policy. All managers are responsible for communicating this policy to their department staff and supporting their staff in understanding the requirements of this policy.

Head of Human Resources will ensure training and awareness is completed by staff. This policy is accessible internally via the company SharePoint. Awareness to this policy is through awareness training. Suppliers and partners engaged with Spring-GDS, UK will be required to read, agree and sign the latest version of our operating principles.

This report was approved by the board on 26th October 2023 and signed on its behalf.

N Hague
Director

Directors' Report

For the year ended 31 December 2022

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

The Company has chosen, in accordance with s414C(11) of the Companies Act 2006, to present information that is otherwise required to be presented in the Directors' Report within the Strategic Report.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £222k (2021 profit £313k).

No interim dividend has been paid in the year (2021: £nil). The directors recommend that no final dividend will be paid (2021: £nil).

GOING CONCERN

The balance sheet shows that the Company has net assets of £1,595,000 (2021: £1,729,000).

With growth in revenues, and investment in growth, the directors expect the business to be profitable over the year of 2023 and beyond. The directors have prepared the financial statements on a going concern basis, and do not consider there to be any significant uncertainty in this regard.

The tailwinds from the Covid pandemic in online shopping remained strong sustaining the parcel handling business and this has resulted in an increased turnover during the year ended 31 December 2022. As a result, the directors have reorganised the company's operations with more focus on eCommerce to continue to serve our customers and protect the financial resources and future profitability of the Company.

The company meets its day to day working capital requirements from a cash pooling facility, together with operational cash flows and intercompany trading balances with the group headed by PostNL N.V., the ultimate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period. This assessment is dependent on its immediate parent company, G3 Worldwide Mail N.V., not seeking repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £4,569,000.

The directors have received a letter from G3 Worldwide Mail N.V., the company's immediate parent undertaking, indicating its intent to provide additional funding as is needed by the company, and that it does not intend to seek repayment of these amounts currently due to the group during the going concern assessment period. G3 Worldwide Mail N.V. has received a parental guarantee from its direct parent PostNL N.V. under Dutch company law. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors' Report (Continued)

For the year ended 31 December 2022

DIRECTORS

The directors of the Company who were in office during the year end up to the date of signing the financial statements were

S Ferguson (Resigned 17th August 2022)
C Lee (Appointed 5th September 2022)
N Hague

The directors benefit from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

Financial risk management

The Company's assessment and response to financial risk is set out within the strategic report on page 5.

Charitable and political contributions

No charitable or political donations have been paid in the year (2021: £Nil).

Disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

During the year, the Board appointed KPMG LLP as auditor. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 26th October 2023 and signed on its behalf.

N Hague
Director

Statement of Directors' Responsibilities

For the year ended 31 December 2022

The directors are responsible for preparing the Annual Report, 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G3 WORLDWIDE MAIL (UK) LIMITED

Opinion

We have audited the financial statements of G3 Worldwide Mail (UK) Limited ("the Company") for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G3 WORLDWIDE MAIL (UK) LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the underlying transactions are high in volume and low in value.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, journals with specific descriptions or key words and material post-closing journals.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G3 WORLDWIDE MAIL (UK) LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

D Stokes

David Stokes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

27 October 2023

Income Statement

For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	2	**28,008**	25,744
Cost of sales		**(24,074)**	(21,847)
Gross profit		**3,934**	3,897
Administrative expenses		**(4,070)**	(3,516)
Operating (Loss)/Profit	3	**(136)**	381
Other income and charges	7	**(141)**	(42)
(Loss)/Profit on ordinary activities before taxation		**(277)**	338
Tax on ordinary activities	8	**55**	(25)
(Loss)/Profit for the financial year		**(222)**	313

All amounts relate to continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2022

	2022 £000	2021 £000
(Loss)/Profit for the financial year	(222)	313
Fair value Loss/(Gains) on Cash Flow Hedges	**105**	(19)
Tax on Cash Flow Hedges	**(17)**	3
Other Comprehensive Loss/(Gains) for the Year	**88**	(16)
Total Comprehensive (Loss)/Income for the Year	**(134)**	297

The notes on pages 18 to 30 form part of these financial statements.

Balance Sheet

As at 31 December 2022

	Note	£000	2022 £000	£000	2021 £000
Fixed assets					
Intangible assets	9		**20**		32
Tangible assets	9		**276**		60
			296		92
Current assets					
Debtors	10	**8,250**		6,868	
Cash at bank and in hand		**-**		-	
		8,250		6,868	
Creditors: amounts falling due within one year	11	**(6,811)**		(5,231)	
Net current assets			**1,439**		1,637
Provisions	18		**(140)**		**0**
Net assets			**1,595**		1,729
Capital and reserves					
Called up share capital	13		**895**		895
Share premium account	14		**2,200**		2,200
Cash Flow Hedge Reserve			**63**		(25)
Profit and loss account			**(1,563)**		(1,341)
Total shareholders' funds			**1,595**		1,729

The financial statements were approved by the Board of Directors on 26th October 2023 and signed on its behalf by

N Hague
Director

The notes on pages 18 to 30 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Cash flow hedge reserve £000	Total shareholders' funds £000
At 1 January 2022	895	2,200	(1,341)	(25)	1,729
Loss for the financial year	-	-	(222)	-	(222)
Cash Flow Hedges	-	-	-	88	88
At 31 December 2022	895	2,200	(1,563)	63	1,595

For the year ended 31 December 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Cash flow hedge reserve £000	Total shareholders' funds £000
At 1 January 2021	895	2,200	(1,654)	(9)	1,432
Profit for the financial year	-	-	313	-	313
Cash Flow Hedges	-	-	-	(16)	(16)
At 31 December 2021	895	2,200	(1,341)	(25)	1,729

The notes on pages 18 to 30 form part of these financial statements

Notes to Accounts

For the year ended 31 December 2022

1. Accounting Policies

1.1 Basis of preparation of financial statements

G3 Worldwide Mail (UK) Limited is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered numbe is 00545421 and the registered office address is Unit 9 Trident Way, International Trading Estate, Southall, UB2 5LF.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the companies Act 2006.

The financial statements of the Company are prepared under the historical cost convention except for the treatment of financial derivatives which are accounted for under the fair value convention. The financial statements are prepared in sterling which is the functional currency of the Company. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required management to exercise judgement in applying company accounting policies. Refer to note 18.

The principal accounting policies, which have been applied consistently to all periods presented in these financial statements, are set out below.

The Company's ultimate parent undertaking, PostNL includes the Company in its consolidated financial statements. The consolidated financial statements of PostNL N.V. are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and are available to the public and may be obtained from the Company's website: https://annualreport.postnl.nl.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of PostNL N.V. include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

Certain disclosures required by FRS 102.26 Share-based Payments; and,
Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1.1.1 Going concern

The company meets its day to day working capital requirements from a cash pooling facility, together with operational cash flows and intercompany trading balances with the group headed by PostNL N.V., the ultimate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which

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For the year ended 31 December 2022

1.1.1 Going concern (continued)

indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period. This assessment is dependent on its immediate parent company, G3 Worldwide Mail N.V., not seeking repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £4,569,000.

The directors have received a letter from G3 Worldwide Mail N.V., the company's immediate parent undertaking, indicating its intent to provide additional funding as is needed by the company, and that it does not intend to seek repayment of these amounts currently due to the group during the going concern assessment period. G3 Worldwide Mail N.V. has received a parental guarantee from its direct parent PostNL N.V. under Dutch company law. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.2 Turnover

Revenue is measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the entity.

Revenue is recognised upon the dispatch of mail.

1.3 Tangible/Intangible fixed assets and depreciation

Tangible/Intangible fixed assets are stated at cost less depreciation. Leased assets are depreciated over the shorter of the lease term and their useful lives, depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis:

S/Term Leasehold Property	-	over the period of the lease
Plant and machinery	-	3 - 8 years
Intangible	-	5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.4 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand. The Company operates on a cash pooling arrangement where at the end of every day, the bank balance is swept into a cash pool, hence no cash balance in balance sheet.

1.5 Short-term debtors and creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs.. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.6 Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Provision is made for claims for loss or damage arising in respect of goods carried or in transit prior to the accounting date.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. [For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value,

deferred tax is provided at the rates and allowances applicable to the sale of the asset/property [, except when the investment property has a limited useful life and the objective of the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used].] Deferred tax balances are not discounted.

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

1.8 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date, and all such gains or losses are included in the Income statement.

1.9 Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial Assets
Basic financial assets, including trade and other receivables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. 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.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ii) Non-Financial Assets
The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.9 Financial Instruments (continued)

iii) Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Derivatives including interest rate swaps and forward foreign exchange contracts are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

iv) Hedging Arrangements

The company has elected to apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. Forward foreign exchange contracts are designated as cash flow hedges of the highly probable forecast transactions.

Changes in the fair values of derivatives designated as cash flow hedges, which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in the fair value of the hedging instrument since the inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable or the hedging instrument is terminated.

1.10 Pensions

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Operating leases

Rentals under operating leases are charged to the Income statement on a straight line basis over the lease term.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

Turnover by client origin:

	2022 £000	2021 £000
United Kingdom	**22,734**	19,314
Ireland	**116**	227
Poland	**3,249**	3,303
Netherlands	**697**	252
China	**1,212**	2,648
	28,008	25,744

The destination for all mailing services is across the world.

3. Operating Profit

The Operating Profit is stated after charging:

	2022 £000	2021 £000
Depreciation of fixed assets:		
- owned by the company	**103**	39
Operating lease rentals:		
- plant and machinery	**56**	62
- other operating leases	**397**	332

4. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	**50**	34

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2022 £000	2021 £000
Wages and salaries	3,039	2,867
Social security costs	352	318
Other pension costs	128	120
	3,519	3,305

The average monthly number of employees, including the directors, during the year was as follows:

	2022 Number	2021 Number
	82	88

6. Directors' remuneration

	2022 £000	2021 £000
Remuneration	407	285
Company pension contributions to defined contribution pension schemes	19	15

The aggregate of remuneration of the highest paid director was £276,179 (2021 :£190,784), and company pension contributions of £11,474 (2021 :£10,397) were made to a money purchase scheme on his/her behalf.

The number of directors' who are members of the money purchase pension scheme is 2 (2021: 2).

During the year, amounts accruing to directors under defined benefit schemes amounted to £nil (2021: £nil).

7. Other income and charges

	2022 £000	2021 £000
Interest (receivables)/payable to group undertakings	(24)	11
Foreign Exchange Movements	122	33
Fair Value Loss/(Gain) on Unhedged Derivatives	25	(2)
Other Charges	18	0
	141	42

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For the year ended 31 December 2022

8. Tax on Profit on ordinary activities

	2022 £000	2021 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on Profit for the year	-	-
Total current tax	-	-

	2022 £000	2021 £000
Deferred tax		
Origination and reversal of timing differences	(42)	69
Effect of increased tax rate on opening liability	(13)	(44)
Total deferred tax	(55)	25
Tax on Profit on ordinary activities	(55)	25

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2021 - 19%).

	2022 £000	2021 £000
(Loss)/Profit on ordinary activities before taxation	(277)	338
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(53)	64
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12	1
Fixed asset super deduction	(5)	-
Tax rate changes	(13)	(44)
Movement in unrecognised deferred tax	4	4
Current tax (credit)/charge for the year **(see note above)**	(55)	25

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 222 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2021: 19%)."

[redacted]

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For the year ended 31 December 2022

9. Tangible and Intangible assets

	S/Term Leasehold Property £000	Plant and machinery £000	Intangible Asset £000	Total £000
Cost				
At 1 January 2022	349	147	56	552
Additions	237	70	-	307
Disposals	(3)	(3)	-	(6)
At 31 December 2022	583	214	56	853
Accumulated depreciation & Amortisation				
At 1 January 2022	329	107	24	460
Charge for the year	65	27	11	103
Disposals	(3)	(3)	-	(6)
At 31 December 2022	391	131	35	557
Net book value				
At 31 December 2022	192	83	21	296
At 31 December 2021	20	40	32	92

10. Debtors

	2022 £000	2021 £000
Trade debtors	4,882	3,117
Amounts owed by group undertakings	2,026	2,754
Other debtors	140	162
Prepayments and accrued income	910	604
Derivative financial instruments	73	39
Deferred tax asset (see note 12)	219	191
Rounding	-	1
	8,250	6,868

Amounts owed by group undertakings relates to the Company's contribution to the cash pool and it is repayable on demand. Interest earned by the group is apportioned to the contributors of the cash pool.

10. Debtors (continued)

Derivative financial instruments – Forward contracts

The company enters into forward foreign currency contracts to mitigate the exchange rate risk associated with the sales and purchases denominated in foreign currencies. At 2nd January 2023, the outstanding contracts all mature within 12 months of the year end. The company is committed to buy €5.1m (2021: €3.9m) and pay a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:EUR. The fair value of the forward foreign currency contracts is £2,690 (2021: (£15,972)) Forward foreign exchange contracts are held in cash flow hedges. No ineffectiveness (2021: no ineffectiveness) was noted on cash flow hedged during the year and no gains/losses were recycled to the income statement during the year.

11. Creditors:
Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	**68**	203
Amounts owed to group undertakings	**4,569**	2,865
Other taxation and social security	**70**	-
Accruals and deferred income	**2,104**	2,163
	6,811	5,231

Amounts owed to group undertakings is repayable on demand and not interest bearing.

12. Deferred tax

	2022 £000	2021 £000
At beginning of year	**191**	208
Adjustment in respect of previous years	**-**	2
Credited for year (P&L)	**54**	(25)
Deferred tax (credit)/charge for the year (OCI)	**(26)**	6
At end of year	**219**	191

The deferred tax is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	**(20)**	(6)
Short term timing differences – Derivative contracts	**(15)**	11
Tax losses	**254**	186
	219	191

12. Deferred tax (continued)

	2022 £000	2021 £000
Deferred tax asset Recoverable within 12 months	**254**	197
Deferred tax liability Payable within 12 months	**(35)**	(6)

13. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
£895,004 (2021: £895,004) - Ordinary shares of £1 each	**895**	895

On 21st December 2017, the Company issued 1 ordinary share with nominal value of £1 to the parent company. The consideration received amounted to £2.2 million, and the difference over nominal value of the share has been credited directly to equity as an increase in share premium.

14. Reserves

Share premium reserve
This reserve records the amount above the nominal value received for share sold, less transaction cost.

15. Reconciliation of movements in shareholders' funds

	2022 £000	2021 £000
Opening shareholders' funds	**1,729**	1,432
Cash Flow Hedges	**88**	(16)
(Loss)/Profit for the financial year	**(222)**	313
Closing shareholders' funds	**1,595**	1,729

No final dividend was paid during the year (2021: £nil).

16. Pension commitments

The company participates in the G3 Worldwide Mail (UK) Limited Group Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from the company in independently administered funds. The pension cost charge for the year represents contributions payable by the company to the funds and amounted to £127,580 (2021: £120,492). The pension commitment accrual as at 31 December 2022 is £11,685 (2021: £10,232).

17. Operating lease commitments

The Company has entered into commercial leases on certain properties, equipment and vehicles. These leases have an average life of between 1 and 5 years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these contracts. At 31 December 2022 the company had future minimum rentals payable under non-cancellable operating leases as set out below:

	Land and buildings			**Other**
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Expiry date:				
Within 1 year	**434**	309	**63**	64
Between 2 and 5 years	**726**	658	**93**	119

18. Provisions

	Dilapidations	**Total**
Balance at 1 January 2022	**0**	**0**
Transferred from accruals	140	140
Balance at 31 December 2022	**140**	**140**

Provisions for dilapidations related to estimated costs to return leasehold property to vacant possessions at the end of lease term. Provision based on a dilapidations assessment carried out on in 2021.

19. Judgements in applying accounting policies and key sources of estimation uncertainty

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.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

20. Related party transactions

The company is controlled by G3 Worldwide Mail NV, its immediate parent undertaking. The ultimate parent undertaking and controlling party is PostNL N.V.

The Company's ultimate parent undertaking, PostNL N.V. includes the Company in its consolidated financial statements. The consolidated financial statements of PostNL N.V are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and are available to the public and may be obtained from the company's website: https://annualreport.postnl.nl/.

21. Ultimate parent undertaking and controlling party

G3 Worldwide Mail NV, was a joint venture company until 2 April 2013 where the controlling interest of 67.55 percent was held by PostNL NV. The other party was Royal Mail Holdings PLC which held 32.45 percent of the shareholding. Effective 2 April 2013 PostNL NV took full ownership.

The ultimate parent undertaking and controlling party of G3 Worldwide Mail (UK) Limited is PostNL NV, a company incorporated in The Netherlands. Copies of the consolidated financial statements of PostNL NV that include G3 Worldwide Mail (UK) Limited may be obtained from PostNL Investor Relations, Prinses Beatrixlaan 23, 2595 The Hague, The Netherlands.

22. Subsequent Events

There are no subsequent events post balance sheet date.