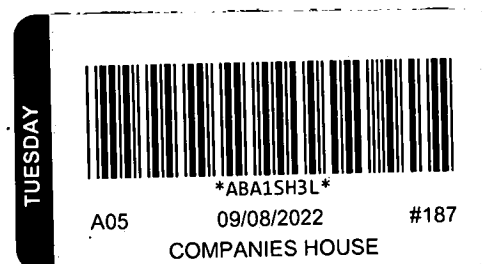


Registered Number 05770579

Angard Staffing Solutions Limited
Annual Report and Financial Statements
For the 52 weeks ended 27 March 2022



Contents

Strategic report.....	2
Directors' report.....	4
Independent Auditor's Report to the members of Angard Staffing Solutions Limited.....	7
Income statement.....	10
Statement of comprehensive income.....	10
Statement of changes in equity.....	10
Balance Sheet.....	11
Notes to the financial statements	12

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 has decreased by £28 million to £129 million (2020-21: £88 million increase to £157 million). Total people and other operating costs for the period have decreased by £28 million to almost £129 million (2020-21: £88 million increase to £157 million). The profit before tax was £98,000 (2020-21: £370,000). The Directors do not recommend a dividend (2020-21: £nil).

Review of the business and future developments

The Company has established itself as a cost-effective provider of temporary labour to Royal Mail Group Ltd (Royal Mail). The prior period was a one-off period, with Royal Mail experiencing unprecedented demand for its services as a result of the COVID-19 pandemic, as well as increased absence rates. The Company therefore significantly increased its provision of temporary labour to Royal Mail in order to assist with this. In the current period, as COVID-19 restrictions eased, demand for Royal Mail's services reduced, albeit still remained significantly higher than before the pandemic. This resulted in a reduction in demand for temporary labour versus the prior period and a resulting decrease in turnover. This however was partly offset by an increase in recharged people costs per hour as a result of a pay award and the use of a greater proportion of longer-serving workers who are entitled to enhanced pay.

The trading environment for Royal Mail is uncertain, with its markets impacted by the more challenging Global economy, including increasingly high levels of inflation and expectations of lower future economic growth. The positive revenue impacts from COVID-19 such as growth in online retail are also abating. Royal Mail's revenue is therefore expected to decline in 2022-23, particularly in the first half which has strong comparatives in the prior period. This will inevitably result in a decreased demand from Royal Mail for the Company's services.

Key Performance Indicators (KPIs)

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

- Percentage 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

Business risk

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

Economic and political environment

Macro-economic conditions and/or the political environment may adversely affect Royal Mail's ability to maintain and grow revenue by reducing volumes or driving customers to adopt cheaper products or formats for sending letters and parcels.

The medium-term outlook is highly uncertain and is dependent on the extent to which the global economy recovers following the pandemic and the effects of the ongoing war in Ukraine. An economic downturn, as well as potential industrial action, could increase Royal Mail's costs or impact revenue and volumes.

Such a reduction in Royal Mail's revenue and volumes would have a resulting impact on its requirement for temporary staffing, and therefore the Company's revenue. Royal Mail however is taking a number of actions with the aim of mitigating these risks, including scenario-planning, hedging exposures to commodity costs as appropriate, a cost reduction programme and ongoing monitoring of political and policy changes.

Strategic report (continued)

Section 172 statement

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they considered and had regard to the interests of key stakeholders and the broader matters set out in Section 172(1) (a-f) of the Companies Act 2006 ("S172") when performing their duty to promote the success of the Company. Section 172 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decisions in the long term;
- b. the interests of the Company's employees;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

The Directors of the Company consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to the matters set out in S172, in the decisions taken during the reporting period.

The Company is a member of the Royal Mail plc Group and has adopted all applicable Group policies and procedures, including the Royal Mail Business Code of Conduct, Corporate Responsibility Policy and the Equality and Fairness Policy.

The Company ensures that the requirements of S172 are met and that the interests of its stakeholder groups are considered through a combination of the following:

- Standing agenda items presented at each Board meeting, including updates on operations, financial performance, compliance and development, and health and safety.
- Regular engagement with our stakeholders, including, but not limited to, suppliers, customers and employees. For example, the Company requests regular feedback on the quality of its service from its employees.
- Consideration of the impact of the Company's operations on the community and the environment, and how this can be improved. For example, the Company works with 'welfare-to-work' providers in each area to engage the unemployed in those communities and undertakes paperless and remote candidate registration to reduce its carbon footprint.

As the Company forms part of the wider Group, stakeholder engagement also took place at Group level. You can read more about how the Royal Mail plc Group Board engaged with stakeholders during the reporting period in its Annual Report and Accounts for the financial year ended 27 March 2022, which can be found at www.royalmailgroup.com.

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 Royal Mail plc Group Board publishes details of its activities in its Annual Report and Financial Statements.

By Order of the Board



Wendy Sommerville
Director

Angard Staffing Solutions Limited

Registered Number: 05770579

Registered Office: 185 Farringdon Road, London, EC1A 1AA

13 July 2022

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 2022 (2020-21: 52 weeks ended 28 March 2021).

Directors and their interests

The following have served as Directors of the Company during the period ended 27 March 2022 and up to the date of approval of these financial statements unless otherwise stated:

Michael Jeavons (resigned 7 February 2022)

Reed Specialist Recruitment Limited

Wendy Sommerville (appointed 7 February 2022)

Zareena Brown (appointed 7 February 2022)

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

Research and development

Expenditure in the period amounted to £nil (2020-21: £nil).

Political donations

There were no political donations made in the period (2020-21: £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

The Company had net assets of £980,000 at 27 March 2022 (2020-21: £891,000) and net current assets of £974,000 (2020-21: £876,000). The Directors are of the view that the Company has sufficient resources to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Directors consider that it is appropriate to prepare these financial statements on a going concern basis. See Note 1 for more details.

Statement of Corporate Governance Arrangements

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, Angard Staffing Solutions Limited (the Company) has, as part of the wider Royal Mail Group (the Group), applied the principles of the UK Corporate Governance Code 2018 (the Code) for the financial year ended 27 March 2022.

The Group places a high value on good governance and promotes the highest levels of governance throughout the organisation. Full details of how the Group applied the Code can be found in the Group Annual Report and Accounts for the financial year ended 27 March 2022, which are available on the Royal Mail Group website.

Statement of employee engagement

Whilst the Company is the employing entity, the principal route by which the Directors of the Company effect engagement of the Company are the process and practices of the ultimate parent Company, Royal Mail plc (the Group).

Directors' report (continued)

Culture and engagement are key focus areas for the Group's Board and are standing items on the agenda for each ESG Committee. The Committee reviews outcomes of employee surveys, engagement and inclusion sessions and Employee Voice Forums, as well as monitoring whistleblowing, and bullying and harassment complaints.

The last 12 months has seen the Group continue to build on its agenda of Trust. The Group measures its progress primarily through its Trust Survey, which focuses on questions which build a picture of trust and engagement, both locally and at a company level. The survey is deployed through monthly pulse surveys and an annual Big Trust survey. In 2022, over 97,000 of the Group's colleagues took part in the survey, representing 69% of its workforce. The Group's internal Trust Score has seen a significant increase from 62 to 68 in a year.

The Group's trade union partners play an active role in supporting great local action plans and with their support additional support and upskilling has been developed to ensure conversations happen locally with greater visibility and involvement in making change happen. This will be measured through the Group's monthly Trust Check-in approach that will re-commence in the summer.

To connect its employees with the Board, the Group also held several Employee Voice Forums (EVF) to allow for an intimate and open discussion covering various topics that are aligned to its strategy. In March 2021, the Group expanded its online collaboration tool, Workplace by Facebook, previously only used by managers, to its entire UK workforce. Workplace gives everyone at Royal Mail a voice, and creates opportunities to share ideas, solve problems and have conversations and will help to improve Royal Mail for our people and our customers.

To read more of the Group's employee engagement, please see pages 26, 38 and 39 of the Royal Mail plc Annual Report and Accounts for the financial year ended 27 March 2022.

Auditor

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 Surveys help 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 9,175 employees on average during the 52 weeks ended 27 March 2022 (2020-21: 9,130).

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.

Directors' report (continued)

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

By Order of the Board



Wendy Sommerville
Director

Angard Staffing Solutions Limited

Registered Number: 05770579

Registered Office: 185 Farringdon Road, London, EC1A 1AA

13 July 2022

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

Opinion

We have audited the financial statements of Angard Staffing Solutions Limited ("the Company") for the period ended 27 March 2022 which comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, 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 27 March 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

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, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes
- Considering remuneration incentive schemes and performance targets
- 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, and taking into account possible pressures to meet profit targets, 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 low value, high volume nature of transactions reduces the opportunities for fraudulent activity.

We did not identify any additional fraud risks.

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

We 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 journals posted to unusual accounts and journals posted to cash and borrowing accounts.

Identifying and responding to risks of material misstatement due to non-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.

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, taxation legislation, and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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 these 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 Directors' report;
- in our opinion the information given in those reports for the financial period 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.

Directors' responsibilities

As explained more fully in their statement set out on pages 5 and 6, 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.

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

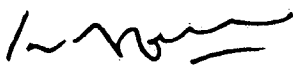
Auditor's responsibilities

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.



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

Chartered Accountants

15 Canada Square

London

E14 5GL

13 July 2022

Angard Staffing Solutions Limited

Income statement

for the 52 weeks ended 27 March 2022 and 52 weeks ended 28 March 2021

	Notes	2022 £000	2021 £000
Continuing operations			
Revenue		128,564	156,942
People costs	2	(121,099)	(149,355)
Other operating costs	4	(7,367)	(7,217)
Profit before interest and tax		98	370
Profit before tax		98	370
Tax (charge)/credit	5	(9)	9
Profit for the period		89	379

Statement of comprehensive income

for the 52 weeks ended 27 March 2022 and 52 weeks ended 28 March 2021

There is no comprehensive income other than the profit attributable to the Company of £89,000 (2020-21: £379,000).

Statement of changes in equity

for the 52 weeks ended 27 March 2022 and 52 weeks ended 28 March 2021

	Share Capital £000	Retained earnings £000	Total equity £000
Balance at 29 March 2020	-	512	512
Profit for the period	-	379	379
Balance at 28 March 2021	-	891	891
Profit for the period	-	89	89
Balance at 27 March 2022	-	980	980

Angard Staffing Solutions Limited

Balance sheet at 27 March 2022 and 28 March 2021

	Notes	2022 £000	2021 £000
Non-current assets			
Deferred tax asset	5	6	15
Current assets			
Trade and other receivables	6	4,285	15,304
Cash and cash equivalents		1,465	2,950
		5,756	18,269
Current liabilities			
Trade and other payables	7	(4,776)	(17,378)
Net current assets		974	876
Net assets		980	891
Equity			
Share capital	8	-	-
Retained earnings		980	891
Total equity		980	891

The financial statements on pages 10 to 16 were approved by the Board of Directors on 13 July 2022 and were signed on its behalf by:



Wendy Sommerville
Director

Angard Staffing Solutions Limited
Registered Number: 05770579
Registered Office: 185 Farringdon Road, London, EC1A 1AA
13 July 2022

Angard Staffing Solutions Limited

Notes to the financial statements

1. Accounting policies

The following accounting policies apply throughout the Company:

Accounting reference date

The financial period ends on the last Sunday in March and accordingly, these financial statements are made up to the 52 weeks ended 27 March 2022 (2020-21: 52 weeks ended 28 March 2021).

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the period ended 27 March 2022 were authorised for issue by the board of Directors on 13 July 2022. 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 to reflect changes in UK company law following the UK's exit from the European Union that come into effect for accounting periods beginning on or after 1 January 2021 have been applied.

Basis of preparation

The Company has applied FRS 101 for all periods presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 27 March 2022.

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

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*¹;
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement* (disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities)²;
- (c) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding);
- (d) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (e) the requirements of IAS 7 *Statement of Cash Flows*;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- (g) the requirements of paragraph 17 and 18(a) of IAS 24 *Related Party Disclosures* (key management compensation and related party transaction amounts); and
- (h) 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.

¹ Exemption taken as equivalent disclosures are included in the consolidated financial statements of Royal Mail plc.

Going concern

The Company had net assets of £980,000 at 27 March 2022 (2020-21: £891,000) and net current assets of £974,000 (2020-21: £876,000). The Company has a dependency on its immediate parent company, Royal Mail Group Limited, for the provision of temporary resource for use in the UK operation. The following disclosures were made by Royal Mail Group Limited in its Annual Report and Financial Statements, signed on 12 July 2022:

The Directors have reviewed both the current business projections and a severe but plausible downside scenario and assessed these against cash and cash equivalents of £831 million, current asset investments of £70 million and the undrawn bank syndicate loan facility of £925 million, at 27 March 2022. The downside scenario included a consideration of deteriorating economic and market conditions, increased competition in the UK parcels sector, a slower pace of transformation in the UK business and the impact this has on cost control, and the potential impact of industrial action or incurring costs to avoid it.

The Royal Mail Group Limited Directors are satisfied that these facilities, coupled with business projections, show that Royal Mail Group Limited will continue to operate for a minimum of twelve months from the date of approval of these financial statements. Those projections are dependent on Royal Mail plc not seeking repayment of the loan amount currently due to it from Royal Mail Group Limited, which at 27 March 2022 amounted to £872 million. Royal Mail plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. 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.

Angard Staffing Solutions Limited

1. Accounting policies (continued)

The severe but plausible downside case indicates that alongside the financial support from Royal Mail plc, the Company would not expect to draw on the bank syndicate loan facility in order to maintain sufficient liquidity and would not breach any of its covenants.

Consequently, the Directors are satisfied 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.

On the basis of the above factors, 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 have therefore prepared the financial statements on a going concern basis.

Changes in accounting policy

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

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.

Pension costs

The Company makes contributions to a defined contribution scheme. These contributions are charged to operating profit within people costs in the year to which the contributions relate.

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 companies.

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.

Income tax and deferred tax

Current tax is based on the results for the reporting period 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.

Angard Staffing Solutions Limited

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 2022 £000	52 weeks 2021 £000
Wages and salaries	(111,556)	(138,618)
Social security costs	(8,189)	(9,261)
Pension costs	(1,354)	(1,476)
Total	(121,099)	(149,355)

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

	Period end employees		Average employees	
	52 weeks 2022	52 weeks 2021	52 weeks 2022	52 weeks 2021
Total employees	8,733	12,041	9,175	9,130

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 period, therefore the Directors did not receive any remuneration from the Company during the period (2020-21: £nil). There are no pension contributions to Directors in respect of qualifying services.

4. Other operating costs

The operating profit from continuing operations is stated after charging:

	52 weeks 2022 £000	52 weeks 2021 £000
Management fees	(200)	(200)
Reed Specialist Recruitment Ltd costs	(6,137)	(5,738)

Auditor's remuneration amounted to £10,000 (2020-21: £10,000) 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 27 March 2022 and 28 March 2021.

5. Taxation

(a) Tax (charge)/credit recognised in the period	52 weeks 2022 £000	52 weeks 2021 £000
Tax charged in the income statement		
Current income tax:		
Current UK income tax charge	-	-
Deferred tax:		
Effect of change in tax rates	1	-
Origination and reversal of timing differences	(10)	9
Total deferred income tax (charge)/credit	(9)	9
Tax (charge)/credit in the income statement	(9)	9

Angard Staffing Solutions Limited

5. Taxation (continued)

(b) Reconciliation of the total tax (charge)/credit

The tax assessed for the period differs from the statutory rate of corporation tax in the UK of 19% (2020-21: 19%). The differences are explained below:

	52 weeks 2022 £000	52 weeks 2021 £000
Profit before tax	98	370
Profit multiplied by the statutory rate of corporation tax in the UK of 19% (2020-21: 19%)	(19)	(70)
Transfer pricing income adjustment	(1)	(1)
Effect of group relief surrenders from other companies for no payment	10	80
Effect of change in tax rates	1	-
Tax (charge)/credit in the income statement	(9)	9

(c) Deferred tax

	At 27 March 2022 £000	At 28 March 2021 £000
Short-term timing differences	6	15
Total	6	15

The movement on deferred tax is shown below:

	£000
Deferred tax asset at 28 March 2021	15
Total deferred income tax credit	(9)
Deferred tax asset at 27 March 2022	6

(d) Factors that may affect future tax charges

The UK corporation tax rate is 19%. The UK Government has announced that the corporation tax rate will rise to 25% from April 2023. In accordance with accounting standards, the deferred tax balances in these Financial Statements have been adjusted to effect this change.

6. Trade and other receivables

	At 27 March 2022 £000	At 28 March 2021 £000
Trade and other receivables	-	99
Amount due from parent company	4,285	15,205
Total	4,285	15,304

Angard Staffing Solutions Limited

7. Trade and other payables

	At 27 March 2022 £000	At 28 March 2021 £000
Trade creditors and accruals	(3,689)	(14,698)
Social security	(1,087)	(2,680)
Total	(4,776)	(17,378)

8. Issued share capital

	At 27 March 2022 £	At 28 March 2021 £
Authorised and issued		
One ordinary share of £1	1	1
Total	1	1

9. Related party information

The Company has taken advantage of two of the exemptions conferred by FRS 101.8, 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 and disclosures relating to key management personnel compensation are not required.

Purchases/ recharges from related party		Sales/ recharges to related party		Amounts owed to related party including outstanding loans		Amounts owed by related party including outstanding loans		
52 weeks 2022 £000	52 weeks 2021 £000	52 weeks 2022 £000	52 weeks 2021 £000	At 27 March 2022 £000	At 28 March 2021 £000	At 27 March 2022 £000	At 28 March 2021 £000	
Reed Specialist Recruitment Limited	(6,137)	(5,738)	-	80	(895)	(608)	-	96

Reed Specialist Recruitment Limited is a Director of the Company. The £6,137,000 (2020-21: £5,738,000) purchases relate to administrative fees for recruitment functions. The £80,000 of sales in the prior period relate to recharges of software costs.

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.

10. Immediate and ultimate parent company

At 27 March 2022, 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, 185 Farringdon Road, London, EC1A 1AA or at www.royalmailgroup.com.