

General Logistics Systems Denmark A/S
Kokmose 3
6000 Kolding

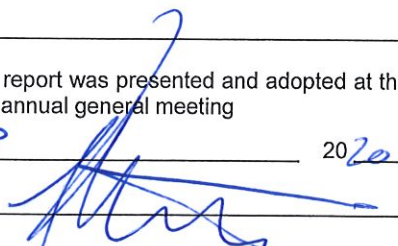
CVR No. 10 54 97 44

Annual Report 2019/20

The annual report was presented and adopted at the
Company's annual general meeting

on 25/8 _____ 2020

chairman

A handwritten signature in blue ink, written over a horizontal line. The signature is stylized and appears to be "M. S. Sørensen".

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of General Logistics Systems Denmark A/S for the financial year 1 April 2019 – 31 March 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.


In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 – 31 March 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

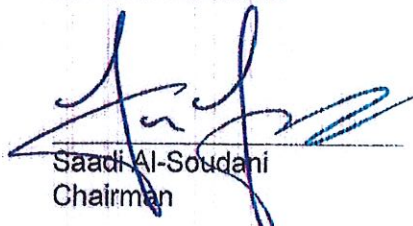
Kolding, 22 June 2020

Executive Board:



Karsten Klitmøller
Managing Director

Board of Directors:



Saadi Al-Soudani
Chairman



James Rietkerk



Karsten Klitmøller



Independent auditor's report

To the shareholders of General Logistics Systems Denmark A/S

Opinion

We have audited the financial statements of General Logistics Systems Denmark A/S for the financial year 1 April 2019 – 31 March 2020 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations and cash flows for the financial year 1 April 2019 – 31 March 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 22 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
MNE-nr. 33220

General Logistics Systems Denmark A/S
Annual Report 2019/20
CVR no. 10 54 97 44

Management's review

Company details

General Logistics Systems Denmark A/S
Kokmose 3
6000 Kolding

Telephone: +45 76 33 11 00
Website: <https://gls-group.eu/DK/en/home>

Established: 16 October 1999
Registered office: Kolding
Financial year: 1 April – 31 March

Board of Directors

Saadi Al-Soudani, Chairman
James Rietkerk
Karsten Klitmøller

Executive Board

Karsten Klitmøller, Managing Director

Auditor

KPMG P/S
Jupitervej 4, st.
6000 Kolding
Denmark

Management's review

Financial highlights

EUR'000	2019/20	2018/19	2017/18	2016/17	2015/16
Revenue	239.634	216.492	181.787	153.951	131.628
Gross profit	75.578	66.181	51.673	44.500	38.435
Ordinary operating profit	26.248	24.324	16.746	14.156	11.739
Profit/loss from financial income and expenses	297	238	3.153	475	1.401
Profit for the year	20.755	19.275	16.319	11.598	10.482
Total assets	95.288	85.003	73.269	58.889	51.666
Investment in property, plant and equipment	6.089	11.392	10.539	9.338	1.300
Equity	68.412	54.658	35.448	29.180	27.549
Gross margin	31,5%	30,6%	28,4%	28,9%	29,2%
Operating margin	11,0%	11,2%	9,2%	9,2%	8,9%
Return on invested capital	41,3%	52,2%	49,9%	48,0%	40,6%
Current ratio	155,3%	104,9%	63,5%	70,8%	85,0%
Return on equity	33,7%	42,8%	50,5%	40,9%	37,7%
Solvency ratio	71,8%	64,3%	48,4%	49,6%	53,3%
Average number of full-time employees	683	583	505	452	411

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Company

The primary business area of General Logistics Systems Denmark A/S is the distribution of parcels in Denmark and Europe.

As a part of General Logistics Systems the Company participates in a Group that is one of Europe's largest distributors of day-to-day parcels. The Company undertakes the group's distribution to and from Denmark, and the responsibilities of the GLS-group in the Nordic region.

Development in activities and financial position

The Company's income statement for the year 1 April 2019 – 31 March 2020 shows a net profit of KEUR 20.755, which is in line with expectations set out in last years Financial Statements, and considered satisfactory, according to the current market conditions. The Company's balance sheet at 31 March 2020 shows an equity of KEUR 68.412.

Events after the balance sheet date

No significant events have occurred, which are considered to have a material effect on the assessment of the Annual Report.

Outlook

It is the Company's objective for the coming year to maintain the present market share and through an efficient control of costs and resources to improve profitability.

Covid-19 has been an emerging risk since the end of 2019 which we continue to monitor together with any performance impacts. Depending on how the situation develops, there is potential for impact in 2020/21. We have put measures in place to help support the business and its stakeholders during this outbreak.

Risks

The Management and Board of Directors assesses that the Company has not been affected by special risks beyond the common risks in the industry.

Management's review

Operating review

Corporate social responsibility

Statutory statement regarding social responsibility according to section 99a of the Danish Financial Statements Act

In General Logistics Systems Denmark A/S, we care about Corporate Social Responsibility. Together with our colleagues in other GLS countries we have on Group level defined policies for Corporate Social Responsibility.

Under the theme "ThinkResponsible" we have policies covering, among others, the following areas:

- Human Rights including adoption to UK Modern Slavery Act
- Quality
- Climate
- Social Responsibility for our employees and the society around us
- Compliance, including antibribery and corruption as well as sanctions

Our achievements, together with a description of our business model and much more is published in the Royal Mail plc Corporate Responsibility Report which can be downloaded following this link:

<https://www.royalmailgroup.com/en/responsibility/policies-and-reports/>

Our Business model has only minor impact on external environment and no material risk for negative impact on any of the areas included above.

Management's review

Operating review

Statutory statement regarding balanced representation of gender in the Company's management team according to section 99b of the Danish Financial Statements Act

Board of Directors

The Company is a subsidiary of General Logistics Systems B.V., a company within Royal Mail plc. The Company's Board of Directors are appointed by the parent company.

It is the parent company's objective that the Board of Directors represent competences to effectively fulfil its tasks, from a strategic, managerial and controlling perspective. The company will seek to identify candidates with the industry's best profiles and skills, considered best for the company as a whole. In this context, gender is considered in the nomination of candidates for the Board of Directors, with due regard to the company's other recruitment criteria, including requirements for professional qualifications, industry experience, educational background, etc.

After the balance sheet date, Rico Back has stepped down as CEO of Royal Mail plc. and therefore also as member of the Board of Directors in the Company. The parent company has appointed Karsten Klitmøller to join the Board of Directors as he, based on the above listed criterias, was considered the best candidate.

Therefore the Company's Management Board still consists of 3 male members. In respect of equal representation of both genders in the Company's Management Board the objective is to have 1 female member of the Management Board by the end of the year 2022/23. In the event that the shareholder will not appoint a new member of the Management Board there is a risk that the target cannot be fulfilled.

Other management levels

It is the Company's objective to increase the ratio of lower represented gender in the Company's other management levels (employees with line manager responsibilities). In line with the objective, the Company strives to create a good and diverse working environment, that promotes the equal opportunities for both gender. When there is a vacant position on management level candidates of both genders will be invited to apply.

The current mix of genders in the Company's other management levels are 29,1% (25 empl.) Women and 70,9% (61 empl.) Men. For the year 2018/19 the mix was: 28,6% (16 empl.) Women and 71,4% (40 empl.) Men. During the financial year 2019/20, the ratio of lower represented gender in the Company's other management levels has increased slightly by 0,5%-points to 29,1%, which is close to the target by end of 2019/20 of 30% and considered satisfactory.

Although the target of 30% is not fully achieved by end of 2019/20, the Company still focus to increase the ratio of lower represented gender in the Company's other management levels. The target (based on the basis of gender distribution in the industries from which the company recruits employees) is now to achieve a share of female managers of at least 30% by end of year 2022/23.

Financial statements 1 April – 31 March

Accounting policies

The annual report of General Logistics Systems A/S for 2019/20 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

Functional and presentation currency

The national currency of Denmark is the Danish Krone ("DKK"), which is the Company's functional currency. The financial statements are presented in euro, based on exchange rate 746,74 DKK/100 EUR (2018/19: 746,52 DKK/100 EUR).

Consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of General Logistics Systems Denmark A/S and group entities are included in the consolidated financial statements of Royal Mail plc, Victoria Embankment, London EC4Y 0HQ, United Kingdom.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Royal Mail plc.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates which are independent entities, the income statements are translated into EUR at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Accounting policies

Income statement

Revenue

Income from the sale of transports is recognised when delivery to the consignee have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs related to the completed supply of services.

Other external costs

Other external costs comprise costs related to sales, advertising, administration, premises, bad debts etc.

Staff costs

Staff cost includes wages and salaries including holiday payment, pension cost and other cost for social security. Refund of wages and salaries from public institutions are deducted from Staff cost.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense as well as gains and losses on transactions denominated in foreign currencies.

Accounting policies

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

The parent and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method). The parent acts as a Management Company for all the companies encompassed by the joint taxation arrangement, meaning that the parent is responsible for ensuring that taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the Management Company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the Management Company.

Balance sheet

Intangible assets

Contracts

Acquired contracts are measured at cost less accumulated amortisation and impairment losses and amortised on a straight-line basis over the expected remaining life of the contract.

Software and licences

Software and licences are measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the remaining life of the software, and licences are amortised over the contract period, however, not exceeding 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Accounting policies

Property, plant and equipment

Land and buildings and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, energy consumption, staff and depreciation of machinery used.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10 – 30 years
Fixtures and fittings, tools and equipment	2 – 14 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Non-current assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Accounting policies

Investments

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Goodwill is amortized over its estimated useful life determined on the basis of management experience. Goodwill is amortized over the amortization period of 10 years. The amortization period exceeds 5 years for strategically acquired corporations, having a strong market position and long-term earnings profile.

Equity investments in group entities with negative net asset values are measured at EUR 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised under provisions.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life. Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Accounting policies

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Provisions

Other provisions relate to expected claim expenses in accordance with usual claim commitments applicable. Other provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Other provisions are measured at value in use.

Liabilities other than provisions

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Segment information

Segment information is provided on geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Income statement

EUR'000	Note	2019/20	2018/19
Revenue	1	239.634	216.492
Other operating income		80	675
Distribution Costs		(150.865)	(138.418)
Other external costs	2	(13.271)	(12.568)
Gross profit		75.578	66.181
Staff costs	3	(45.174)	(38.280)
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses		(4.156)	(3.577)
Operating profit		26.248	24.324
Income from equity investments in group entities		587	930
Other financial income	4	30	32
Other financial expenses	5	(320)	(724)
Profit before tax		26.545	24.562
Tax on profit for the year	6	(5.790)	(5.287)
Profit for the year	7	20.755	19.275

Balance sheet

EUR'000	Note	2019/20	2018/19
ASSETS			
Non-current assets			
Intangible assets			
	8		
Contracts		892	1.217
Software and licenses		53	103
Software and licenses under construction		383	201
		<u>1.328</u>	<u>1.521</u>
Property, plant and equipment			
	9		
Land and buildings		35.428	31.742
Fixtures and fittings, tools and equipment		13.953	12.638
Property, plant and equipment under construction		2.177	4.884
		<u>51.558</u>	<u>49.264</u>
Investments			
	10		
Equity investments in group entities		3.647	4.130
Other receivables and deposits		344	160
		<u>3.991</u>	<u>4.290</u>
Total non-current assets		<u>56.877</u>	<u>55.075</u>
Current assets			
Receivables			
Trade receivables		26.860	25.323
Receivables from group entities		1.140	90
Corporation tax receivable	11	1.588	645
Other receivables		666	803
Prepayments and deferred income		287	277
		<u>30.541</u>	<u>27.138</u>
Cash at bank and in hand		<u>7.870</u>	<u>2.790</u>
Total current assets		<u>38.411</u>	<u>29.928</u>
TOTAL ASSETS		<u>95.288</u>	<u>85.003</u>

Balance sheet

EUR'000	Note	2019/20	2018/19
EQUITY AND LIABILITIES			
Equity			
Share capital	12	224	224
Retained earnings		51.188	47.434
Proposed dividends for the financial year		17.000	7.000
Total equity		<u>68.412</u>	<u>54.658</u>
Provisions			
Provisions for deferred tax	13	1.979	1.670
Other provisions	14	161	138
Total provisions		<u>2.140</u>	<u>1.808</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	15	1.500	5.750
		<u>1.500</u>	<u>5.750</u>
Current liabilities other than provisions			
Trade payables		12.910	13.230
Payables to group entities		1.831	2.413
Other payables		8.495	7.144
		<u>23.236</u>	<u>22.787</u>
Total liabilities other than provisions		<u>24.736</u>	<u>28.537</u>
TOTAL EQUITY AND LIABILITIES		<u>95.288</u>	<u>85.003</u>
Contractual obligations, contingencies, etc.	16		
Related parties	17		
Related party transactions	18		

Statement of changes in equity

EUR'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 April 2018	224	35.224	0	35.448
Distributed dividend			0	0
Exchange rate adjustments		-65		-65
Transferred over the profit distribution		12.275	7.000	19.275
Equity at 1 April 2019	224	47.434	7000	54.658
Distributed dividend			(7.000)	(7.000)
Exchange rate adjustments		-1		-1
Transferred over the profit distribution		3.755	17.000	20.755
Equity at 31 March 2020	224	51.188	17.000	68.412

Notes

1 Segment information

Of the total revenue, 97 % (2018/19: 97 %) of revenue is related to Denmark and 3 % (2018/19: 3 %) related to other countries.

The distribution of revenue across business segments is, in accordance with the Danish Financial Statements Act section 96 (1), not disclosed, as information about this may cause material damage to the Company.

2 Fees to auditor appointed at the general meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, fees paid to the Company's auditor appointed at the general meeting have not been disclosed.

EUR'000	2019/20	2018/19
3 Staff costs		
Wages and salaries	41.290	35.061
Pensions	3.231	2.712
Other social security costs	653	507
	<u>45.174</u>	<u>38.280</u>
Average number of full-time employees	<u>683</u>	<u>583</u>

According to section 98b (3) of the Danish Financial Statements Act, remuneration to the Managing Director or the Board of Directors is not disclosed.

4 Other financial income

Foreign exchange gains	0	0
Other interest income	30	32
	<u>30</u>	<u>32</u>

Notes

EUR'000		2019/20	2018/19	
5 Other financial expenses				
Interest expense to group entities		165	586	
Foreign exchange losses		50	45	
Other interest expense		105	93	
		<u>320</u>	<u>724</u>	
6 Tax on profit for the year				
Current tax for the year		5.473	4.853	
Deferred tax adjustment for the year		314	435	
Adjustments to prior years		3	-1	
		<u>5.790</u>	<u>5.287</u>	
7 Proposed profit distribution				
Proposed dividend for the financial year		17.000	7.000	
Retained earnings		3.755	12.275	
		<u>20.755</u>	<u>19.275</u>	
8 Intangible assets				
		Software and licenses	Software and licenses under construction	Total
EUR'000	Contracts			
Cost at 1 April 2019	1.622	618	201	2.441
Exchange rate adjustments	(1)	0	0	(1)
Additions	0	1	182	183
Transferred	0	0	0	0
Cost at 31 March 2020	<u>1.621</u>	<u>619</u>	<u>383</u>	<u>2.623</u>
Depreciation and impairment losses at 1 April 2019	405	515	0	920
Exchange rate adjustments	0	0	0	0
Depreciation	324	51	0	375
Depreciation and impairment losses at 31 March 2020	<u>729</u>	<u>566</u>	<u>0</u>	<u>1.295</u>
Carrying amount at 31 March 2020	<u>892</u>	<u>53</u>	<u>383</u>	<u>1.328</u>

Notes

9 Property, plant and equipment

EUR'000	Land and buildings	Fixtures and fittings, tools and equip- ment	Property, plant and equip- ment under construc- tion	Total
Cost at 1 April 2019	41.801	25.297	4.884	71.982
Exchange rate adjustments	(12)	(8)	(1)	(21)
Additions	794	3.118	2.177	6.089
Transferred	4.172	711	(4.883)	0
Disposals	(395)	(40)	0	(435)
Cost at 31 March 2020	46.360	29.078	2.177	77.615
Depreciation and impairment losses at 1 April 2019	10.059	12.659	0	22.718
Exchange rate adjustments	(3)	(4)	0	(7)
Depreciation	1.271	2.510	0	3.781
Depreciation on disposals	(395)	(40)	0	(435)
Depreciation and impairment losses at 31 March 2020	10.932	15.125	0	26.057
Carrying amount at 31 March 2020	35.428	13.953	2.177	51.558

Notes

EUR'000	2019/20	2018/19
10 Equity investments in group entities		
Cost at 1 April	5.544	5.553
Exchange rate adjustments	(2)	(9)
Cost at 31 March	5.542	5.544
Value adjustments at 1 April	(1.414)	466
Exchange rate adjustments	0	0
Share of net profit (or loss) for the year	587	930
Dividend distributed	(1.069)	(2.810)
Value adjustments at 31 March	(1.896)	(1.414)
Carrying amount at 31 March	3.647	4.130

Name/legal form	Registered office	Voting rights and ownership interest	Equity EUR'000	Profit/ loss for the year EUR'000
General Logistics Systems Express A/S	Kolding, Denmark	100%	1.836	67
General Logistics Systems Finland A/S	Turku, Finland	100%	1.811	520
Carrying amount / profit from group entities at 31 March 2020			3.647	587

Notes

EUR'000	<u>2019/20</u>	<u>2018/19</u>
11 Corporation tax receivable		
Corporation tax receivable at 1 April	645	1.490
Exchange rate adjustments	0	(3)
Current tax for the year	(5.473)	(4.853)
Adjustments to prior years	(1)	1
Corporation tax paid for the year	<u>6.417</u>	<u>4.010</u>
Corporation tax receivable at 31 March	<u>1.588</u>	<u>645</u>
12 Share capital		
The share capital consists of:		
EUR'000		
A shares, 16.700 shares of nom. DKK 100 each	<u>224</u>	<u>224</u>
	<u>224</u>	<u>224</u>
All shares rank equally.		
13 Deferred tax		
Deferred tax at 1 April	1.670	1.238
Exchange rate adjustments	(5)	(3)
Deferred tax adjustment for the year	<u>314</u>	<u>435</u>
	<u>1.979</u>	<u>1.670</u>
Provisions for deferred tax relate to:		
Intangible assets	67	67
Property, plant and equipment	1.875	1.558
Current assets	72	75
Provisions	<u>(35)</u>	<u>(30)</u>
	<u>1.979</u>	<u>1.670</u>

Notes

EUR'000	2019/20	2018/19
14 Other provisions		
Warranty commitments at 1 April	138	105
Provisions for the year	23	33
Other provisions at 31 March	161	138
The provisions are expected to be activated as follows:		
0-1 year	161	138
1-5 years	0	0
>5 years	0	0
Other provisions at 31 March	161	138

Warranty commitments relate to expected claim expenses in accordance with usual claim commitments applicable.

EUR'000	2019/20	2018/19
15 Payables to group entities		
Non-current liabilities to group entities	1.500	5.570
	1.500	5.570

Of the non-current liabilities, KEUR 1.500 falls due for payment 3 years from the balance sheet date.

Notes

EUR'000	<u>2019/20</u>	<u>2018/19</u>
16 Contractual obligations, contingencies, etc.		
Rent commitment until first breaking clause	<u>2.047</u>	<u>1.062</u>
Bank guarantees issued	<u>937</u>	<u>1.273</u>
Operating lease obligations	<u>4.149</u>	<u>2.390</u>
Other contractual commitments	<u>1.458</u>	<u>988</u>

Operating lease obligations concerns lease of fixtures and fittings, tools and equipment. Remaining terms for operating lease obligations are 1-8 years.

General Logistics Systems Denmark A/S is jointly taxed with General Logistics Systems Express A/S. As the parent company the Company is liable jointly and severally with the jointly taxed company. Receivable income tax (incl. pre-paid income tax for the tax year 2021) and withholding taxes within the joint taxation totalled March 31, 2020 EUR 1.573 thousand. Any subsequent corrections of taxable joint taxation income or withholding taxes could lead to changes in the company's liability.

Notes

17 Related party disclosures

General Logistics Systems Denmark A/S' related parties comprise the following:

General Logistics Systems Express A/S (subsidiary company)

General Logistics Systems Finland OY (subsidiary company)

General Logistics Systems B.V. (GLS B.V.), Breguetlaan 28-30, 1438 BC Oude Meer, The Netherlands (parent company) and its subsidiaries

Royal Mail plc, Victoria Embankment, London EC4Y OHQ, United Kingdom (ultimate parent company) and its subsidiaries

Board of Directors, Managing Director and supervisors

The consolidated financial statements of the ultimate parent company Royal Mail plc can be obtained at the company's address or at www.royalmailgroup.com.

18 Related party transactions

Related party transactions during the year:

EUR'000	2019/20
Sale of Transport Services to Subsidiary Companies	60
Purchase of Transport Services from Subsidiary Companies	(564)
Sale of Other Services to Subsidiary Companies	157
Purchase of Other Services from Subsidiary Companies	0
Sale of Transport Services to Affiliated Companies	12.914
Purchase of Transport Services from Affiliated Companies	(27.875)
Sale of Other Services to Affiliated Companies	304
Purchase of Other Services from Affiliated Companies	(6.767)
Purchase of Other Services from Parent Company	(640)
	<u>(22.412)</u>

Receivables from and Payables to related parties is disclosed in the balance sheet and Interest paid to related parties during the year is specified in note 5.