

# An Post Summary Regulatory Financial Statements 2020



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# Contents

<b>Group Financial Review</b>	<b>Financial Summary and Business Review</b>	<b>USO Performance</b>	<b>Statement of Directors' Responsibilities</b>
2	4	7	9
<b>Report on the Summary Regulatory Financial Statements</b>	<b>Regulatory Accounting Principles and Basis of Preparation</b>	<b>Income Statement for Universal Service and Mails Business Segment</b>	<b>Income Statement for each Business Segment</b>
10	12	16	16
<b>Per Unit Revenue, Cost and Profit/(Loss) Details for each USO Service</b>	<b>Balance Sheet</b>	<b>Summary Income Statement for Mails Business Segment</b>	<b>Summary Income Statement for each Universal Service</b>
17	17	18	25
<b>Notes to the Regulatory Financial Statements</b>	<b>Universal Service</b>	<b>Glossary and Explanation of Terms</b>	
30	33	36	

# Group Financial Review

## Group Profitability

In a year of unprecedented disturbance arising from the COVID-19 pandemic and the associated economic impact, An Post has risen to the challenge and put the common good and the national requirements at the forefront of its reaction.

An Post has achieved a €32.5m profit before depreciation and amortisation, one off items, net finance income and taxation (a loss of €10.7m after depreciation and amortisation). Owing to the pandemic, the increase in the volume of packets and parcels occurred more dramatically than had been anticipated but the operation was capable of meeting the demand. This resulted in additional costs to maintain service levels and ensure the safety of our staff and customers.

In the context of continuing core letter mail decline the 2020 result represents a very solid performance. There were no price adjustments in 2020, however increased packet and parcel volumes and the volumes generated from the General Election drove the higher revenue line. Revenue generated through the Retail business has seen a change in the year. There has been growth in Financial Services offerings with products like the current account, credit cards and small loans growing. Against this there was an impact from the lockdown particularly on foreign currency transactions and on some other products dependent on footfall in Post Offices. 2020 saw continued strong performance in our subsidiary companies.

	2020 €m	2019 €m
Revenue	915.5	892.1
<b>Profit before depreciation and amortisation, one off items, net finance income/(costs) and taxation</b>	<b>32.5</b>	<b>79.6</b>
Depreciation and amortisation	(43.2)	(37.7)
<b>(Loss)/Profit before one off items, net finance income/(costs) and taxation</b>	<b>(10.7)</b>	<b>41.9</b>
Exceptional costs (including transformation costs)	(27.3)	(15.3)
Other Income: Profit on disposal of subsidiaries/assets	6.0	40.0
<b>(Loss)/Profit before net finance income/costs and taxation</b>	<b>(32.0)</b>	<b>66.6</b>
Balance Sheet Net assets (before pension asset/liability)	278.7	308.4

## Revenue

Group revenue in the year was €915.5m, a 2.6% increase on prior year. Parcel volumes and all aspects of e-Commerce delivery experienced very strong growth. The revenue from this segment increased in 2020 by over 100%. This is a growth sector with expected increases against forecast in the next financial year. Traditional mail volumes continued to decline during the year. The full year decline in 2020 versus 2019 was 7.1%. The rate of decline was impacted by the pandemic and business letter mailings were particularly low during the period when businesses were in lockdown. An Post maintained the service offering throughout the year which assisted greatly with maintaining volume. Similar rates of decline are being recorded across the postal sector internationally.

## Costs

Group operating costs before exceptional costs were €883.0m. This is an increase from €812.6m in 2019. The increase in costs reflects the higher activity in the business and in particular the increase in parcel deliveries as well as the direct costs of maintaining service levels during the pandemic. There was an increase of 660 in Full Time Equivalents (FTE) staff numbers at Group level mainly to service the growing parcel and packet volumes. The unprecedented increase in volumes during the pandemic could not have been foreseen and as a result, the processing and delivery of these volumes resulted in increased costs. Greater efficiency will be achieved in future years when the operations will be streamlined.

Cork Mail Centre closed on 23 March 2020. The closure of this mail centre has streamlined the mails processing infrastructure in the region.

## Outlook

The financial results for 2020 are extremely positive in the context of the unprecedented challenges faced by the Company. Green Light, An Post's progressive strategy for the recovery, will empower our people, grow our business and help protect our planet. It will both meet and help shape customer demand for services by embracing technology, while ensuring sustainability for the long term. Building on 2020's revenue growth, for the fourth year in a row, the strategy will see:

- Increased profitability through a new logistics network to meet burgeoning demand, and a new sustainable mail delivery service
- A transformed and sustainable Post Office network that will become an even more vital service for consumers and communities
- The development of an advanced digital platform to make e-commerce easy and accessible for everyone, especially out-of-home as consumers return to offices
- Growth in An Post Commerce to enable businesses to trade domestically and across the globe and expand into new supply chains
- A new expert and lean Corporate Centre with new ways of working



# Financial Summary and Business Review

## Income Statement for Universal Service Mails Business Segment

### Mails

	USO		Non USO		Total Mails	
	2020 '000	2019 '000	2020 '000	2019 '000	2020 '000	2019 '000
<b>Volumes ('000)</b>	266,347	278,522	188,178	207,795	454,525	486,318
	2020 €'000	2019 €'000	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Revenue	383,228	370,071	288,693	258,720	671,921	628,792
Expenditure	391,717	362,099	297,039	239,597	688,756	601,695
<b>(Loss)/Profit</b>	<b>(8,489)</b>	<b>7,973</b>	<b>(8,346)</b>	<b>19,123</b>	<b>(16,835)</b>	<b>27,096</b>

The Mails business had revenue of €671.9m in 2020 compared with €628.8m in 2019. One of the effects of the COVID-19 pandemic was the change in the mix in revenue during 2020, with solid growth in parcel and packet revenue and a decline in business mail. The growth in overall revenue shows the underlying strength in the core business.

The Mails Business Segment was impacted by the disturbance from the pandemic in a number of ways. These included the loss of volume owing to business shutdown, the additional costs to operate safely including personal protective equipment and labour costs to facilitate social distancing and COVID-19 related absence. An additional impact was the forfeiting of the price increase planned for the early part of the year to assist in the economy generally. However, the Company's operations continued throughout the whole year, despite the difficulties encountered, and succeeded to deliver the Universal Service Obligation throughout the period.

The result was a reported loss of €16.8m for 2020 compared to a profit of €27.1m in 2019. This reflects a year of very challenging trading conditions. The additional direct costs associated with providing a safe working environment and the increased costs incurred from the additional volumes resulting from the surge in e-commerce.

Overall the Company continues its strategy to establish a sustainable business with the capacity to service the economy and fulfil the obligations of the Universal Service Obligation (USO). The movement to profitability in recent years represents a very positive development for the Company. While 2020 showed a deviation from this trend, senior management remain satisfied that the strategic direction of the Company offers the best opportunity to secure the long-term future as a sustainable mails delivery service.

### USO Performance

An Post is designated as the national postal Universal Service Provider. This involves the obligation to fulfil an every working day mail service to every household in the country. This places cost obligations on the Company.

In 2020, the USO segment recorded a loss of €8.5m, a deterioration from the profit of €8.0m in 2019. This reflected the additional costs incurred by the company to maintain the USO service during the pandemic. This additional cost included personal protective equipment for staff, additional cleaning costs and the increased staff absences which had to be covered. The Company did not implement a price increase in the USO in 2020 recognising that the national interest was paramount.

The headline domestic stamped letter unit cost has moved to €1.16 in 2020 from €1.04 in 2019. This increase in unit cost reflects the difficult trading conditions of 2020. The Company considers that this performance reflects the unprecedented national situation and does not require a change in the strategic direction. When the external environment is normalised the

Company intends to re-focus on reducing USO losses through cost reduction, strategic pricing and product improvement. The USO performance is supported by revenue from other income streams.

### USO Volumes and Revenues

Domestic and International Outbound stamped and metered volumes are derived from revenue based on a Sampling Plan. This plan was designed by PricewaterhouseCoopers in accordance with the relevant standard (IS:EN 13850:2012).

USO Mails revenue in 2020 is 3.6% higher than 2019, reflecting the full year impact of 2019 price rises. The 2020 result also reflects increasing volumes of parcels and packets. Overall USO volumes decreased by 4.4% over 2019 levels. Traditional stamped letter volumes have continued to decline overall. This is in line with the experience of other postal operators.

In 2020, there was a 23.3% decline in domestic metered letter mail compared to 2019 and a decline of 17.9% in domestic business reply. These volume declines reflect the reduction in business activity during lockdown. The Company would expect these trends to reverse as lockdown eases and economic activity normalises.

In 2020, there were noticeable increases in packet (12.4%) and parcel (93.5%) volumes across all segments. However, as the volume base of these items is lower, the overall USO volume trend was a decline.

In 2020 there was no re-classification of products into and out of the the USO.

### Price

The basic stamp price remained the same at €1 for the full year 2020. No price increases were implemented by the Company in 2020 despite the increase in costs experienced. The Company launched an SME support scheme in 2020 which included substantial discounts on letters and parcels to help smaller businesses during the pandemic. The Company remains committed to rationalise and simplify the pricing structure and to better position the business to avail of future opportunities.

### Bulk Mail Pricing

There was no change in bulk mail pricing in 2020.

### Industry Trends

Overall the core mail index (revenue derived) declined by 7.1%. Global trends in volume decline, which have been a feature of the industry for many years, continued in 2020. As in the prior year, letter and flat volumes declined while parcel and packet volumes grew.

Domestic non USO volumes decreased by 11.4% mainly due to the 21.1% decline in bulk mail reflecting the much reduced level of business activity in lockdown. Overall domestic mail volumes in An Post fell by 6.1%, as the increased parcels and packet volumes could not offset the declines in letters and flats volumes.

The losses experienced on the delivery of inbound international traffic continued in 2020 albeit at a slightly reduced level. These losses are a function of the disadvantageous terminal dues structure, particularly in relation to non-EU countries. The 3rd Extraordinary UPU Congress in September 2019 reached an agreement to put in place a more equitable pricing system. The Congress agreed to allow operators (initially restricted to the USA) to self declare inbound terminal dues rates, within parameters. This agreement was required to address the low charges which could be levied on "developing" (including East Asian) countries' traffic, which were causing market distortion. This agreement includes a period of 5 years for these countries to transition to more economic rates.

In 2020, overall inbound volumes reduced. The declines were in letters and flats with slight increases in packets and parcels. Income for the inbound sector increased reflecting improving terminal dues rates. Inbound income was also impacted by a reduction in packets from China and an increase in packets from Europe (including UK), reflecting the reality that the terminal dues paid by EU Posts are higher than by non-EU Posts.

## Financial Summary and Business Review continued

Costs for the inbound segment increased by 13.0% reflecting the higher delivery costs and transport costs incurred by the Company in 2020, as operations were maintained during the pandemic.

In relation to the overall outbound segment in 2020, there was a decline in volume of 4.5% and a decline in income of 1.3%. However, costs increased by 19.8%, which resulted in an overall loss in this segment which had been profitable in the prior year. The cost increases were caused by airlines increasing freight charges as their income from commercial flights was impacted by the collapse in foreign travel. As the number of flights reduced the freight costs increased. This has particularly impacted Zone 4 countries.

Britain left the EU at the end of January 2021. This has resulted in changes to volume flows to and from the UK. As the UK is the foreign administration with which An Post has the most significant trade, the impact may be significant.

Customs 2020 is an EU co-operation programme to improve administration of customs charges in the EU. An Post collects custom charges on behalf of the Revenue Commissioners.

The full impacts of Brexit and customs 2020 will only be apparent later in 2021. At the time of writing, given the continuance of the coronavirus pandemic, it is difficult to isolate the impact of these changes.

### KPI's

KPI	Performance in 2020	Performance in 2019
<b>Operating result</b>		
Profit before depreciation and amortisation, one off items, net finance income/(costs) and taxation as a percentage of revenue	3.6%	8.9%
Staff costs as a percentage of total operating costs	61.3%	61.5%
Postmasters' costs as a percentage of total operating costs	7.0%	8.1%
Other operating costs as a percentage of total operating costs	31.7%	30.4%
Cash at bank and in hand (€'000)	68,973	126,733
<b>Staff - Average Full Time Equivalents (FTE)</b>		
Company	9,730	9,061
Subsidiaries	681	690
Group	10,411	9,751
<b>Mails and parcel business</b>		
Mails and parcel revenue, excluding elections and referenda (€'000)	635,523	591,985
Core mail volumes decline	(7.1%)	(6.3%)
<b>Customer Service</b>		
Written complaints/enquiries	48,706	31,357
Telephone enquiries	786,150	680,504

### Cash at Bank and in Hand

Company cash at bank and in hand was €69.0m at 31 December 2020, a reduction from €126.7m in 2019. The cash position reflects the additional costs incurred by the Company in maintaining service levels during the pandemic. In addition, the Company continued to invest in automation with the new packet sorting machine going live in 2020. It is integral to the Company's strategy that additional cash balances are used for investing in the future of An Post and further consolidating the future viability of the Company.

### Customer Service, Written and Telephone Enquiries

The enquiries are linked to the roll-out of new and enhanced services and the significant increase in parcel services, driven particularly by online shopping.



## USO Performance

	Total USO 2020	Total USO 2019
<b>Volumes ('000s)</b>	266,347	278,522
	<b>€'000</b>	<b>€'000</b>
Revenue	383,228	370,071
Total Expenditure	391,717	362,099
<b>(Loss)/Profit for the year</b>	<b>(8,489)</b>	<b>7,973</b>

### USO Performance

The USO made a loss of €8.5m in 2020. Domestic USO made a profit of €18.4m in 2020 compared to a profit of €30.7m in 2019. USO losses experienced on the delivery of inbound international traffic continued in 2020 but the revised terminal dues structure and an increase in the proportion of inbound mail from EEA countries reduced the level of loss incurred in 2020.

USO volumes decreased by 4.4% in 2020 mainly due the decline in metered and business reply mail. Volume decline was marginal in domestic letter mail. The international outbound USO volume declined by 6.4% continuing the trend of prior years. The inbound volume decreased by 15.9% in 2020, with non-EEA countries declining by 27.2% and volumes from EEA countries declining by 9.8%.

The domestic mail proportion of USO traffic has decreased, from 78% in 2014 to 76% in 2020, with International Inbound accounting for 18% and the remaining 6% being International Outbound.

USO revenues increased by €13.2m (3.6%) in 2020. This was due to an increase of €7.4m (3.0%) in domestic USO revenue, a €4.8m (7.0%) increase in inbound international revenue and a €1.0m (1.7%) increase in outbound international revenue. The domestic and international outbound revenues benefited from the full year impact of the price increases implemented during 2019. International inbound revenue increased due to a move toward EU country traffic and a reduction in Zone 4 (rest of world) traffic.

Letter volumes account for 81% of USO mail volumes. As is the experience of other Postal Operators, significant decline in letter volumes continues. In 2020, USO letter volumes decreased by 10.4m items or 4.6%, which is in line with forecast and this trend is expected to continue in the future.

Registered volumes declined by 1.2m items (15.0%) in 2020. This was owing to the decline in business activity during the pandemic. International inbound volumes declined by 15.9% but revenue increased due to an increase in the proportion of EU originating mail.

### Price

There was no price increase implemented in 2020. The first price point on the domestic letter service remained at €1. The first price point on the international letter service remained at €1.70, which is below the European average of €1.90.

## USO Performance

### continued

#### Cost

USO costs increased by €29.6m (8.2%) in 2020. This increase was caused by additional costs incurred due to the pandemic and increased conveyance costs on outbound mail. The unprecedented increase in parcels and packets volumes in 2020 made planning to process the volume increases difficult and this resulted in additional staff costs. Owing to the continued increase in parcels and packets volumes, bicycle routes (mainly in urban areas) were replaced by electric vehicles.

In addition, maintaining the USO service incurred additional staff costs owing to COVID related absences. Change programme implementation could not be undertaken effectively in 2020, however, the Company intends to refocus on efficiency in 2021.

#### Capex

Fixed asset additions in the year include investment in the packet sorting machine at the DMC campus and a significant investment in vehicles, including electric vehicles.

#### USO Profit/(Loss) by Market Segment

Market Segment	Total USO 2020 €'000	Total USO 2019 €'000
Domestic	18,416	30,734
Inbound International	(18,813)	(25,802)
Intra-Community	(7,680)	(6,780)
Rest of World	(11,133)	(19,021)
Outbound International	(8,093)	3,041
<b>(Loss)/Profit for the year</b>	<b>(8,489)</b>	<b>7,973</b>

# Statement of Directors' Responsibilities

The Board of An Post is responsible for the preparation of Regulatory Financial Statements as required by the Communications Regulation (Postal Services) Act, 2011 ('the Act'), and the Accounting Direction issued by ComReg ('the Direction'). These Regulatory Financial Statements have been prepared in accordance with the Regulatory Accounting Principles and Basis of Preparation set out on pages 12 to 15.

The Directors acknowledge their responsibility for compliance with the accounting provisions of the Act and the following describes how An Post applied the relevant provisions of the Act and the Direction in preparing the Regulatory Financial Statements:

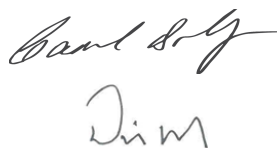
- Financial Records and Accounting Systems - These maintained by An Post contain sufficient detail to enable management to ensure that they comply with the accounting provisions of the Direction. Separate accounts are maintained for each of the services within the Universal Service Obligation.
- Separated Accounts - Segmental profit and loss accounts and statements of net assets have been prepared for submission to ComReg for the year ended 31 December 2020. In compliance with the Direction, a competent body has reviewed these accounts and issued an opinion on their compliance with the Direction.
- Accounting Manual - A detailed accounting manual has been prepared showing the range and scope of data to be collected for the purpose of complying with the Direction and the basis on which the data is to be allocated/apportioned between services.
- The Regulatory Financial Statements are based on the financial records of the business and have been reconciled to the audited An Post Statutory Accounts

Based on the above steps and actions, the directors believe that An Post has complied with the relevant provisions of the Act and with the Direction of ComReg in relation to the Accounting Systems of An Post for the year ended 31 December 2020.

Signed on behalf of the Board of An Post

**Carol Bolger, Director**  
**David McRedmond, Director**

24 June 2021

The image shows two handwritten signatures in black ink. The top signature is cursive and appears to read 'Carol Bolger'. The bottom signature is also cursive and appears to read 'David McRedmond'.

# Report on the Summary Regulatory Financial Statements

## Independent Auditors' Report to the Directors of An Post ("the Company") and the Commission for Communications Regulation ("ComReg", "the Regulator")

### Opinion

In our opinion, the Summary Regulatory Financial Statements are consistent, in all material respects, with the audited Regulatory Financial Statements, and in accordance with the Basis of Preparation.

The Summary Regulatory Financial Statements, which are derived from the audited Regulatory Financial Statements of the Company for the year ended 31 December 2020, comprise:

- Income statement for Universal Service and Mails Business Segment;
- Income statement for each Business Segment;
- Statement of unit revenue, cost and profit/(loss) details for each USO service;
- Balance sheet;
- Summary Income Statement for Mails Business Segment;
- Summary Income Statement for each Universal Service; and
- The notes to the Summary Regulatory Financial Statements on pages 30 to 32.

The Summary Regulatory Financial Statements are derived from the audited Regulatory Financial Statements which have been prepared by the directors of the Company based on the Regulatory Accounting Principles and Basis of Preparation set out on pages 12 to 15 to the Summary Regulatory Financial Statements, which are designed to meet the requirements of the Communications Regulation (Postal Services) Act 2011 and the 2017 Accounting Direction issued by ComReg ("the Basis of Preparation").

The Summary Regulatory Financial Statements are prepared to assist the Company to meet the regulatory reporting requirements of ComReg. As a result, the Summary Regulatory Financial Statements may not be suitable for another purpose. Our report is intended solely for the Company and ComReg and should not be distributed to or used by parties other than the Company or ComReg. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and ComReg, for this report, or for the opinions we have formed.

### Summary Regulatory Financial Statements

The Summary Regulatory Financial Statements do not contain all the disclosures required by the financial reporting framework. Reading the Summary Regulatory Financial Statements and the auditor's report thereon, therefore, is not a substitute for reading the audited Regulatory Financial Statements and the auditor's report thereon.

### The Audited Regulatory Financial Statements and Our Report

We expressed an unmodified audit opinion on the audited Regulatory Financial Statements in our report dated 24 June 2021.

### **Directors' Responsibility for the Summary Regulatory Financial Statements**

The directors are responsible for the preparation and fair presentation of the Summary Regulatory Financial Statements in accordance with the Basis of Preparation and for such internal control as management determines is necessary to enable the preparation of regulatory financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion as to whether the Summary Regulatory Financial Statements are consistent in all material respects with the audited Regulatory Financial Statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), "Engagements to Report on Summary Financial Statements."



**Emer O'Shaughnessy**

**For and on behalf of Deloitte Ireland LLP**

**Chartered Accountants and Statutory Audit Firm**

Deloitte & Touche House

Earlsfort Terrace

Dublin 2

24 June 2021



# Regulatory Accounting Principles and Basis of Preparation

## Obligation to produce the Regulatory Financial Statements

The legal background to the accounting requirements placed on An Post as a Universal Services Provider is contained in the following two documents:

- Section 31 of the Communications Regulation (Postal Services) Act, 2011 ('the Act')
- Direction on the Accounting systems of An Post issued by ComReg on 20 January 2017 (the 'Direction')

## General

The Regulatory Financial Statements are based on the financial records of the business and are reconciled to the operating profit and the Balance Sheet as reported in the An Post Statutory Accounts on which the Auditors have expressed an unqualified opinion. The Regulatory Financial Statements have been prepared in accordance with the accounting policies as set out on pages 42 to 50 of the An Post Statutory Accounts 2020 unless otherwise stated.

The Regulatory Accounts have been prepared adopting the following principles:

- Policies as documented in the Accounting Manual, which reflects the requirements of the Direction
- Accounting Policies for the Income Statements are consistent with EU IFRS as applied in the An Post Statutory Accounts

In cases of conflict the principles as documented in the Accounting Manual prevail.

## Accounting Manual

An Post prepares and submits an Accounting Manual to ComReg on an annual basis in line with the requirements set down by ComReg in the Direction.

Under the Direction, An Post is required to:

- document in an Accounting Manual the procedures and policies being used in the preparation of its Regulatory Financial Statements
- document in the Accounting Manual the procedures undertaken to establish the processes used to identify revenues and mail volumes, by service
- review the Accounting Manual annually
- make the Accounting Manual subject to review by a competent body as and when required by ComReg

## Accounting Records

Processes have been developed and estimates have been applied in determining the assignment of costs and revenues to products. The records are not those that would exist if each of the services was carried on by a separate business.

This is consistent with the records supporting the production of previous Regulatory Financial Statements.

## General Principles

Income Statements by product have been prepared by applying activity based costing methods and principles to the financial records of the business to assign costs. The resulting statements present the fully allocated costs of products.

Costs have been directly assigned to products as far as practicable. Common operational costs that cannot be directly assigned are attributed to products using appropriate cost drivers in line with the Direction. Where no appropriate driver is identified, costs are allocated to products using a general allocator. As with any activity based costing methodology, estimates and judgements are required and have been applied in order to comply with the requirements of the Direction.

The Regulatory Financial Statements have been prepared on a consistent basis from year to year.

## Income Statements

Revenue is made up of external income plus internally recognised income for core services (supplied within the Company). Revenue is assigned directly to the appropriate product, with the exception of stamp and meter revenue. Stamp and meter revenue is assigned to An Post products by applying a statistical analysis of mail stream characteristics. The revenue from value added products is calculated from the volumes recorded by the Track and Trace system.

Postage income is recognised as sales are made, with an adjustment for stamps sold and unused, and balances in postage meter machines unused at the year end.

## Adjustments in production of the Regulatory Accounts

2020 revenue in the Regulatory Financial Statements has been adjusted to exclude prior year terminal dues settlements of €2.8m (2019: €3.3m).

## Volumes

Volumes are a key driver in the allocation of costs.

Revenue derived traffic methodology, based on reported revenues and sampling, have been used as the basis for measuring domestic and outbound international stamped and metered traffic volumes. The Sampling Plan is designed to meet the requirements of the Accounting Direction. Results for the year October 2019 to September 2020 Real Mail Study (RMS) have been applied in the production of these accounts. The results of the 2020 RMS statistical sample (single piece) are accurate to +/-0.74% at a 95% confidence interval.

Non stamped and metered traffic (namely account traffic volumes) are primarily sourced from billing or track and trace systems.

Inbound international traffic volumes are determined by applying a statistically derived items per kilo (IPK) to the weight of mail received from international destinations.

## Operating Costs

For the purposes of the Regulatory Financial Statements, pay and non pay costs are separately identified and within each heading are further categorised between Revenue Collection, Collection, Outward Sorting, Transport, Inward Sorting and Preparation and Delivery.

## Activity Analysis

The hours worked by operational staff in performing their daily duties are recorded by work activity in a database that reconciles to the payroll system. This facilitates pay costs to be assigned to activities based on the time spent by staff on specific activities. Other costs have been assigned to activities by the use of appropriate drivers.

## Changes in Accounting Policies, Methodologies and Estimation Techniques

The changes in accounting policies incorporated in the 2020 Group Statutory Financial Statements have no impact on the 2020 Regulatory Financial Statements.

ComReg requires that where the figures for the previous financial year are not comparable (because, for example, of some change in accounting policy or some other reason (as may be applicable)), the figures for the preceding financial year shall be adjusted with full details provided on any adjustment.

The preparation of these accounts requires a certain level of estimation, based on available data, of revenue transfers between predefined products and services to accurately reflect volumes and revenue.

## Regulatory Accounting Principles and Basis of Preparation continued

### Counter Automation

In preparing the 2018 Regulatory Financial Statements, an assessment of the revenue and volumes derived from customers purchasing mail products at the counter using stamps printed from the An Post Counter Automation system was undertaken. This review highlighted instances where customers affix a stamp or a meter frank on an item, in part payment for a service, and then purchase a top up at the counter for the remaining amount due. An element of stamped revenue should therefore be allocated to those products and this has been done for 2020 and 2019 as it was in 2018, as it more accurately reflects the substance of the transaction at the counter.

A similar issue was identified with respect to registered items, fully or partly paid with stamped or metered indicia before being handed in at a post office counter and recorded on the Counter Automation system. The 2020 and 2019 Regulatory Financial Statements have been prepared using this up to date information as were the 2018 Regulatory Financial Statements.

### Internal Trading and Transfer Charging

An Post operates in different businesses and internal trading occurs where one business makes use of another's services. Transfer charges are raised for internal trading and eliminated on consolidation. Charges made for core services provided by the Mails business to other parts of the Company are accounted for within revenue, whilst charges incurred by An Post Mails business for other services are accounted for within other operating charges. Inter-company transactions between An Post and its subsidiaries are all accounted for on an arms's length basis. Where the mails business provides a mails service to An Post subsidiary, the charge is based on the appropriate published tariff.

### Property, Plant and Equipment Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than land, less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Freehold & long leasehold buildings	20-50 or lease term if shorter
Motor vehicles	5
Operating & computer equipment	3-10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Disposal of property, plant and equipment

Profits and losses on the sale of properties and assets will be assigned to non-letters services (i.e. excluded from the Regulatory Financial Statements total).

## Excluded items

Items below "(Loss)/Profit before one off items, net finance income/(costs) and taxation" are excluded from the Regulatory Financial Statements. These items include:

- Exceptional items as noted in the Statutory Accounts. In 2020 the following item is included in the Regulatory Accounts which is exceptional in the Statutory Accounts:
  - COVID-19 Incremental Costs
- Taxation

In addition, items included in the Operating profit/loss - continuing operations in the An Post Statutory Accounts are excluded from the Regulatory Accounts if they are not relevant to the accounting period. Where items relating to the immediately preceding year are excluded from the current year, the prior year comparatives will not be re-stated.

Other items may be excluded, following a case by case review, in order to ensure that the Regulatory Financial Statements are in compliance with the Direction. These items will be explained in the Notes to the Accounts.

## Comparatives

The restatement of comparative figures is only required in the event of a material error or a material change in accounting policy, as is the case with the Statutory Financial Statements.

Regulatory Accounts by their nature make use of estimation and sampling techniques. Improvements continue to be made in these areas resulting in more robust financial data. Comparatives are not restated as a result of changes in these techniques, except in the case of a material error.

## Reconciliation to Statutory Accounts

As certain items are excluded from the Regulatory Financial Statements, a reconciliation of both Revenue and Profit/Loss to the Statutory Accounts is prepared.

## Statement of Net Assets

Assets and Liabilities specifically related to one Business Segment are recorded in the Statement of Net Assets of that Business Segment. Assets and Liabilities not wholly and exclusively related to one particular Business Segment are divided between Business Segments based on usage.

Inter company debtors and creditors, netted off in preparing the Statutory Accounts are shown gross in the Statement of Net Assets.

Certain items are not divided between Business Segments, but rather, are shown as reconciling items between the Statement of Net Assets and the Balance Sheet included in the Statutory Accounts. The excluded items are goodwill, investment in joint venture, cash, provision for charges, the pension liability (IAS 19) and other items specifically excluded from the Regulatory Financial Statements. Similarly, the inter company debtors and creditors shown gross in the Statement of Net Assets are excluded to reconcile to the Statutory Accounts.

## Cash Flow Statement

A Cash Flow Statement is not included with these Accounts as there is no requirement to do so within the Direction.

# Income Statement for Universal Service and Mails Business Segment

	Year Ended 31 December 2020			Year Ended 31 December 2019		
	Total USO	Non USO	Total Mails	Total USO	Non USO	Total Mails
<b>Volumes ('000s)</b>	266,347	188,178	454,525	278,522	207,795	486,318
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>	<b>383,228</b>	<b>288,693</b>	<b>671,921</b>	<b>370,071</b>	<b>258,720</b>	<b>628,792</b>
Payroll Costs	269,834	208,357	478,191	257,639	168,596	426,235
Non Payroll Costs	121,883	88,682	210,565	104,461	71,000	175,461
<b>Total Expenditure</b>	<b>391,717</b>	<b>297,039</b>	<b>688,756</b>	<b>362,100</b>	<b>239,597</b>	<b>601,697</b>
<b>Total Operating (Loss)/Profit</b>	<b>(8,489)</b>	<b>(8,346)</b>	<b>(16,835)</b>	<b>7,972</b>	<b>19,123</b>	<b>27,095</b>

Note - Volumes stated refer to addressed volumes.

# Income Statement for each Business Segment

	Notes	Mails		Retail		Subsidiaries & Other Activities		Inter-Segment Transactions		Adjustments between Regulated & Statutory Financial Accounts		Group Operating Results - continuing operations (as per An Post's Statutory Financial Accounts)	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenue</b>		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
External Revenue	1	653,322	610,532	150,980	162,920	110,320	116,400	-	-	882	2,276	915,503	892,128
Inter-segment revenue		18,599	18,260	30,251	26,723	107,531	98,036	(156,381)	(143,019)	-	-	-	-
<b>Segment Revenue</b>		<b>671,921</b>	<b>628,792</b>	<b>181,231</b>	<b>189,643</b>	<b>217,850</b>	<b>214,436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditure</b>													
<b>Operating Costs:</b>													
External costs	2	586,454	511,595	149,727	144,911	191,693	194,559	-	-	(1,918)	(1,024)	925,956	850,041
Inter-segment costs		102,302	90,100	44,217	43,376	9,863	9,543	(156,382)	(143,019)	-	-	-	-
<b>Total Expenditure</b>		<b>688,756</b>	<b>601,695</b>	<b>193,944</b>	<b>188,288</b>	<b>201,556</b>	<b>204,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Segment Operating (Loss)/Profit</b>	<b>3</b>	<b>(16,835)</b>	<b>27,096</b>	<b>(12,713)</b>	<b>1,356</b>	<b>16,295</b>	<b>10,335</b>	<b>-</b>	<b>-</b>	<b>2,800</b>	<b>3,300</b>	<b>(10,453)</b>	<b>42,087</b>



# Per Unit Revenue, Cost and Profit/(Loss) details for each USO Service

	Letters		Flats		Packets		Parcels		Registered		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue per unit	€0.89	€0.88	€1.94	€1.67	€3.48	€2.96	€8.67	€11.20	€7.21	€6.70	€1.44	€1.33
Total Cost per unit	€0.92	€0.86	€1.65	€1.45	€4.27	€3.62	€7.80	€9.61	€6.72	€6.15	€1.47	€1.30
<b>Profit/(Loss) per Unit</b>	<b>(€0.04)</b>	<b>€0.02</b>	<b>€0.29</b>	<b>€0.22</b>	<b>(€0.79)</b>	<b>(€0.66)</b>	<b>€0.87</b>	<b>€1.59</b>	<b>€0.50</b>	<b>€0.54</b>	<b>(€0.03)</b>	<b>€0.03</b>

## Balance Sheet

	Notes	Mails		Other and Excluded Items		Consolidation Adjustments		Group Balance Sheet (as per An Post's Statutory Financial Accounts)	
		2020 €'000	2019 €'000	2020 €'000	2019 €'000	2020 €'000	2019 €'000	2020 €'000	2019 €'000
<b>Statement of Net Assets</b>									
Non-current assets	4	260,582	249,465	222,322	127,020	-	-	482,904	376,485
Trade and other receivables	5	103,816	57,673	146,624	151,172	(90,231)	(81,131)	160,209	127,714
Assets Classified as Held for Sale									
Cash									
Creditor (<1 year)	6	(126,762)	(108,577)	671,178	509,855	-	-	671,178	509,855
Liabilities Classified as held for sale				(761,569)	(540,675)	90,231	81,131	(798,100)	(568,121)
<b>Net Current (Liabilities)/Assets</b>		<b>(22,946)</b>	<b>(50,904)</b>	<b>56,233</b>	<b>120,352</b>	<b>-</b>	<b>-</b>	<b>33,287</b>	<b>69,448</b>
Creditors (>1 year)	7	(82,755)	(82,402)	(41,792)	(43,629)	-	-	(124,547)	(126,031)
Provisions for Charges				(10,416)	(11,496)	-	-	(10,416)	(11,496)
Pension Liability				(13,434)	(28,228)	-	-	(13,434)	(28,228)
<b>Net Assets</b>		<b>154,881</b>	<b>116,159</b>	<b>212,913</b>	<b>164,019</b>	<b>-</b>	<b>-</b>	<b>367,794</b>	<b>280,178</b>
<b>Reconciliation to Equity and Reserves</b>									
Called-up share capital				68,239	68,239	-	-	68,239	68,239
Other capital reserves				(1,374)	(421)	-	-	(1,374)	(421)
Retained earnings & Non-controlling interests				300,929	212,360	-	-	300,929	212,360
<b>Total Equity</b>		<b>-</b>	<b>-</b>	<b>367,794</b>	<b>280,178</b>	<b>-</b>	<b>-</b>	<b>367,794</b>	<b>280,178</b>

# Summary Income Statement for Mails Business Segment - USO

All Geographical Segments	Universal Services										Total USO			
	Letters		Flats		Packets		Parcels		Registered		Note 1 - Other USO Services		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	214,564	224,992	21,813	26,188	19,878	17,687	3,360	1,736	6,732	7,919	-	-	266,347	278,522
<b>Year-on-Year % Change in Volumes</b>	(5%)		(17%)		12%		94%		(15%)				(4%)	
<b>Revenue</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	64,893	57,454	11,176	10,049	27,604	20,260	29,138	19,444	34,730	36,829	3,618	3,962	171,160	147,998
Allocated using Sampling	125,288	139,952	31,178	33,649	41,536	32,122	-	-	12,522	14,712	-	-	210,524	220,435
<b>Total Segment Revenue</b>	<b>190,182</b>	<b>197,406</b>	<b>42,354</b>	<b>43,697</b>	<b>69,140</b>	<b>52,382</b>	<b>29,138</b>	<b>19,444</b>	<b>47,252</b>	<b>51,542</b>	<b>3,618</b>	<b>3,962</b>	<b>381,684</b>	<b>368,433</b>
Inter-segment revenue	228	130	-	-	-	-	-	-	1,316	1,508	-	-	1,544	1,638
<b>Service Revenue</b>	<b>190,409</b>	<b>197,536</b>	<b>42,354</b>	<b>43,697</b>	<b>69,140</b>	<b>52,382</b>	<b>29,138</b>	<b>19,444</b>	<b>48,568</b>	<b>53,050</b>	<b>3,618</b>	<b>3,962</b>	<b>383,228</b>	<b>370,071</b>
Year-on-Year % Change in Revenue	(4%)		(3%)		32%		50%		(8%)		(9%)		4%	
Total Direct Costs	14,628	13,514	2,114	2,061	14,387	8,844	4,918	3,427	14,817	15,358	713	732	51,577	43,937
Total Indirect Costs	131,442	126,583	24,452	25,572	48,371	37,917	16,556	9,832	18,566	20,135	36	50	239,423	220,089
Total Common Costs	52,080	53,624	9,448	10,229	22,146	17,224	4,740	3,432	11,827	13,242	476	323	100,717	98,074
<b>Service Expenditure</b>	<b>198,150</b>	<b>193,722</b>	<b>36,014</b>	<b>37,861</b>	<b>84,904</b>	<b>63,985</b>	<b>26,214</b>	<b>16,691</b>	<b>45,210</b>	<b>48,735</b>	<b>1,225</b>	<b>1,105</b>	<b>391,717</b>	<b>362,100</b>
Year-on-Year % Change in Expenditure	(2%)		5%		(33%)		(57%)		7%		(11%)		(8%)	
<b>Net Segment Profit/(Loss)</b>	<b>(7,741)</b>	<b>3,814</b>	<b>6,340</b>	<b>5,836</b>	<b>(15,764)</b>	<b>(11,604)</b>	<b>2,924</b>	<b>2,753</b>	<b>3,358</b>	<b>4,315</b>	<b>2,393</b>	<b>2,857</b>	<b>(8,489)</b>	<b>7,972</b>

Note 1 - Other Services include Redirections, MailMinder & PO Boxes.

# Summary Income Statement for Mails Business Segment - Non USO

All Geographical Segments	Total Non USO		Mails Results	
	2020	2019	2020	2019
<b>Volume ('000s)</b>	188,178	207,795	454,525	486,318
<b>Revenue</b>	€'000	€'000	€'000	€'000
Directly Attributable	271,638	242,099	442,797	390,097
Allocated using Sampling	-	-	210,524	220,435
<b>Total Segment Revenue</b>	<b>271,638</b>	<b>242,099</b>	<b>653,322</b>	<b>610,532</b>
Inter-segment revenue	17,056	16,622	18,599	18,260
<b>Service Revenue</b>	<b>288,693</b>	<b>258,720</b>	<b>671,921</b>	<b>628,792</b>
Total Direct Costs	42,634	29,541	94,211	73,478
Total Indirect Costs	185,276	147,046	424,699	367,135
Total Common Costs	69,129	63,010	169,846	161,084
<b>Service Expenditure</b>	<b>297,039</b>	<b>239,597</b>	<b>688,756</b>	<b>601,697</b>
<b>Net Segment Profit/(Loss)</b>	<b>(8,346)</b>	<b>19,123</b>	<b>(16,835)</b>	<b>27,095</b>

# Summary Income Statement for Mails Business Segment continued - USO

All Geographical Segments	Domestic		International Inbound		International Outbound		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	202,001	203,999	48,016	57,070	16,330	17,453	266,347	278,522
<b>Revenue</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	121,862	103,962	9,149	5,152	40,148	38,884	171,160	147,998
Allocated using Sampling	127,057	137,483	63,467	62,705	20,001	20,247	210,524	220,435
<b>Total Segment Revenue</b>	<b>248,919</b>	<b>241,445</b>	<b>72,616</b>	<b>67,857</b>	<b>60,149</b>	<b>59,131</b>	<b>381,684</b>	<b>368,433</b>
Inter-segment revenue	1,544	1,638	-	-	-	-	1,544	1,638
<b>Service Revenue</b>	<b>250,463</b>	<b>243,083</b>	<b>72,616</b>	<b>67,857</b>	<b>60,149</b>	<b>59,131</b>	<b>383,228</b>	<b>370,071</b>
Total Direct Costs	16,463	12,202	3,883	4,470	31,230	27,265	51,577	43,937
Total Indirect Costs	154,954	141,805	64,128	63,333	20,341	14,952	239,423	220,089
Total Common Costs	60,629	58,342	23,418	25,856	16,670	13,875	100,717	98,074
<b>Service Expenditure</b>	<b>232,046</b>	<b>212,349</b>	<b>91,429</b>	<b>93,659</b>	<b>68,242</b>	<b>56,092</b>	<b>391,717</b>	<b>362,100</b>
<b>Net Segment Profit/(Loss)</b>	<b>18,416</b>	<b>30,734</b>	<b>(18,813)</b>	<b>(25,802)</b>	<b>(8,093)</b>	<b>3,040</b>	<b>(8,489)</b>	<b>7,972</b>

# Summary Income Statement for Mails Business Segment continued USO

Domestic segment	Universal Services												Total USO	
	Letters (Note 1)		Flats (Note 1)		Packets (Note 1)		Parcels		Registered		Other USO Services (Note 2)		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	181,267	184,729	12,760	12,726	3,868	2,747	1,203	593	2,904	3,205	-	-	202,001	203,999
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>														
Directly Attributable	62,303	54,537	7,405	6,323	12,695	7,172	12,598	6,604	23,244	25,364	3,618	3,962	121,862	103,962
Allocated using Sampling	98,237	109,095	20,209	20,631	8,611	7,757	-	-	-	-	-	-	127,057	137,483
<b>Total Segment Revenue</b>	<b>160,540</b>	<b>163,633</b>	<b>27,614</b>	<b>26,953</b>	<b>21,306</b>	<b>14,929</b>	<b>12,598</b>	<b>6,604</b>	<b>23,244</b>	<b>25,364</b>	<b>3,618</b>	<b>3,962</b>	<b>248,919</b>	<b>241,445</b>
Inter-segment revenue	228	130	-	-	-	-	-	-	1,316	1,508	-	-	1,544	1,638
<b>Service Revenue</b>	<b>160,767</b>	<b>163,763</b>	<b>27,614</b>	<b>26,953</b>	<b>21,306</b>	<b>14,929</b>	<b>12,598</b>	<b>6,604</b>	<b>24,560</b>	<b>26,872</b>	<b>3,618</b>	<b>3,962</b>	<b>250,463</b>	<b>243,083</b>
Total Direct Costs	5,486	3,610	632	354	1,139	158	2,306	749	6,186	6,598	713	732	16,463	12,202
Total Indirect Costs	113,457	107,210	15,369	14,275	11,913	8,012	5,428	3,036	8,751	9,221	36	50	154,954	141,805
Total Common Costs	42,619	42,878	5,732	5,420	4,687	3,009	1,761	813	5,354	5,900	476	323	60,629	58,342
<b>Service Expenditure</b>	<b>161,562</b>	<b>153,698</b>	<b>21,733</b>	<b>20,050</b>	<b>17,739</b>	<b>11,179</b>	<b>9,495</b>	<b>4,598</b>	<b>20,292</b>	<b>21,720</b>	<b>1,225</b>	<b>1,105</b>	<b>232,046</b>	<b>212,349</b>
<b>Net Segment Profit/(Loss)</b>	<b>(795)</b>	<b>10,065</b>	<b>5,880</b>	<b>6,903</b>	<b>3,566</b>	<b>3,750</b>	<b>3,103</b>	<b>2,006</b>	<b>4,269</b>	<b>5,152</b>	<b>2,393</b>	<b>2,857</b>	<b>18,416</b>	<b>30,734</b>

Note 1 - Free postal service for blind and partially sighted persons, Sending books abroad etc. are included under the appropriate category (i.e. letters, flats, packets) above.

Note 2 - Other Services include Redirections, MailMinder & PO Boxes.

# Summary Income Statement for Mails Business Segment continued - Non USO

Domestic Segment	Total Non USO		Total Domestic Segment	
	2020	2019	2020	2019
<b>Volume ('000s)</b>	178,432	201,358	380,434	405,358
	€'000	€'000	€'000	€'000
<b>Revenue</b>				
Directly Attributable	233,297	211,966	355,160	315,928
Allocated using Sampling	-	-	127,057	137,483
<b>Total Segment Revenue</b>	<b>233,297</b>	<b>211,966</b>	<b>482,216</b>	<b>453,411</b>
Inter-segment revenue	17,056	16,622	18,599	18,260
<b>Service Revenue</b>	<b>250,353</b>	<b>228,588</b>	<b>500,816</b>	<b>471,671</b>
Total Direct Costs	27,882	17,730	44,345	29,932
Total Indirect Costs	159,829	132,270	314,783	274,075
Total Common Costs	55,565	54,980	116,194	113,322
<b>Service Expenditure</b>	<b>243,276</b>	<b>204,980</b>	<b>475,322</b>	<b>417,329</b>
<b>Net Segment Profit/(Loss)</b>	<b>7,077</b>	<b>23,608</b>	<b>25,494</b>	<b>54,342</b>

\*Includes Other Services e.g. Firms Collections, Passport Express, Publisher Services

# Summary Income Statement for Mails Business Segment continued - USO

International (Inbound) Segment - Total	Universal Services										Total USO	
	Letters		Flats		Packets		Parcels		Registered		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	22,132	27,965	6,982	11,191	13,938	13,076	1,946	968	3,018	3,869	48,016	57,070
<b>Revenue</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	-	-	-	-	-	-	9,149	5,152	-	-	9,149	5,152
Allocated using Sampling	13,030	16,172	8,635	10,371	29,280	21,450	-	-	12,522	14,712	63,467	62,705
<b>Total Segment Revenue</b>	<b>13,030</b>	<b>16,172</b>	<b>8,635</b>	<b>10,371</b>	<b>29,280</b>	<b>21,450</b>	<b>9,149</b>	<b>5,152</b>	<b>12,522</b>	<b>14,712</b>	<b>72,616</b>	<b>67,857</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>13,030</b>	<b>16,172</b>	<b>8,635</b>	<b>10,371</b>	<b>29,280</b>	<b>21,450</b>	<b>9,149</b>	<b>5,152</b>	<b>12,522</b>	<b>14,712</b>	<b>72,616</b>	<b>67,857</b>
Total Direct Costs	103	60	99	93	408	273	135	22	3,138	4,022	3,883	4,470
Total Indirect Costs	13,359	15,115	6,881	9,626	28,322	24,826	7,431	4,080	8,135	9,685	64,128	63,333
Total Common Costs	4,822	5,945	2,500	3,691	10,334	9,622	1,724	1,287	4,038	5,311	23,418	25,856
<b>Service Expenditure</b>	<b>18,285</b>	<b>21,121</b>	<b>9,480</b>	<b>13,410</b>	<b>39,063</b>	<b>34,721</b>	<b>9,290</b>	<b>5,389</b>	<b>15,311</b>	<b>19,018</b>	<b>91,429</b>	<b>93,659</b>
<b>Net Segment Profit/(Loss)</b>	<b>(5,254)</b>	<b>(4,948)</b>	<b>(845)</b>	<b>(3,039)</b>	<b>(9,784)</b>	<b>(13,271)</b>	<b>(141)</b>	<b>(238)</b>	<b>(2,789)</b>	<b>(4,306)</b>	<b>(18,813)</b>	<b>(25,802)</b>

# Summary Income Statement for Mails Business Segment continued - Non USO

International (Inbound) Segment - Total	Total Non USO		Total International (Inbound) Segment	
	2020	2019	2020	2019
<b>Volume ('000s)</b>	6,178	3,054	54,193	60,124
<b>Revenue</b>	€'000	€'000	€'000	€'000
Directly Attributable	23,309	13,116	32,458	18,268
Allocated using Sampling	-	-	63,467	62,705
<b>Total Segment Revenue</b>	<b>23,309</b>	<b>13,116</b>	<b>95,925</b>	<b>80,972</b>
Inter-segment revenue	-	-	-	-
<b>Service Revenue</b>	<b>23,309</b>	<b>13,116</b>	<b>95,925</b>	<b>80,972</b>
Total Direct Costs	6,585	3,647	10,468	8,117
Total Indirect Costs	16,839	8,330	80,967	71,662
Total Common Costs	9,115	4,042	32,533	29,898
<b>Service Expenditure</b>	<b>32,540</b>	<b>16,018</b>	<b>123,969</b>	<b>109,677</b>
<b>Net Segment Profit/(Loss)</b>	<b>(9,231)</b>	<b>(2,902)</b>	<b>(28,044)</b>	<b>(28,704)</b>

\*Includes Other Services e.g. AddressPal.



# Summary Income Statement for Mails Business Segment continued - USO

International (Inbound) Segment - Intra EU	Universal Services										Total USO	
	Letters		Flats		Packets		Parcels		Registered		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	16,924	22,548	5,252	7,583	7,722	4,307	1,835	827	1,834	1,956	33,567	37,221
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>												
Directly Attributable	-	-	-	-	-	-	8,628	4,404	-	-	8,628	4,404
Allocated using Sampling	10,027	12,705	6,794	8,628	19,349	10,721	-	-	8,340	8,539	44,510	40,593
<b>Total Segment Revenue</b>	<b>10,027</b>	<b>12,705</b>	<b>6,794</b>	<b>8,628</b>	<b>19,349</b>	<b>10,721</b>	<b>8,628</b>	<b>4,404</b>	<b>8,340</b>	<b>8,539</b>	<b>53,138</b>	<b>44,997</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>10,027</b>	<b>12,705</b>	<b>6,794</b>	<b>8,628</b>	<b>19,349</b>	<b>10,721</b>	<b>8,628</b>	<b>4,404</b>	<b>8,340</b>	<b>8,539</b>	<b>53,138</b>	<b>44,997</b>
Total Direct Costs	79	49	75	62	226	90	127	19	1,908	2,034	2,415	2,254
Total Indirect Costs	10,216	12,187	5,176	6,523	15,686	8,178	7,007	3,488	4,944	4,897	43,029	35,273
Total Common Costs	3,688	4,795	1,881	2,500	5,725	3,169	1,626	1,100	2,454	2,686	15,374	14,250
<b>Service Expenditure</b>	<b>13,983</b>	<b>17,031</b>	<b>7,132</b>	<b>9,085</b>	<b>21,637</b>	<b>11,437</b>	<b>8,760</b>	<b>4,607</b>	<b>9,306</b>	<b>9,617</b>	<b>60,818</b>	<b>51,777</b>
<b>Net Segment Profit/(Loss)</b>	<b>(3,956)</b>	<b>(4,326)</b>	<b>(338)</b>	<b>(457)</b>	<b>(2,288)</b>	<b>(716)</b>	<b>(132)</b>	<b>(203)</b>	<b>(966)</b>	<b>(1,078)</b>	<b>(7,680)</b>	<b>(6,780)</b>

# Summary Income Statement for Mails Business Segment continued - Non USO

International (Inbound) - Intra EU	Total Non USO		Total International (Inbound) - Intra EU	
	2020	2019	2020	2019
<b>Volume ('000s)</b>	4,489	1,576	38,056	38,797
	€'000	€'000	€'000	€'000
<b>Revenue</b>				
Directly Attributable	16,189	7,319	24,817	11,723
Allocated using Sampling	-	-	44,510	40,593
<b>Total Segment Revenue</b>	<b>16,189</b>	<b>7,319</b>	<b>69,327</b>	<b>52,316</b>
Inter-segment revenue	-	-	-	-
<b>Service Revenue</b>	<b>16,189</b>	<b>7,319</b>	<b>69,327</b>	<b>52,316</b>
Total Direct Costs	4,597	2,192	7,012	4,446
Total Indirect Costs	12,111	4,895	55,140	40,168
Total Common Costs	6,453	2,004	21,827	16,254
<b>Service Expenditure</b>	<b>23,161</b>	<b>9,091</b>	<b>83,979</b>	<b>60,868</b>
<b>Net Segment Profit/(Loss)</b>	<b>(6,972)</b>	<b>(1,772)</b>	<b>(14,652)</b>	<b>(8,552)</b>

# Summary Income Statement for Mails Business Segment continued - USO

International (Inbound) Segment - Rest of World	Universal Services										Total USO	
	Letters		Flats		Packets		Parcels		Registered		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	5,208	5,417	1,729	3,608	6,216	8,769	141	1,184	1,914	19,849	14,448	19,849
<b>Revenue</b>	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	-	-	-	-	-	-	748	-	-	-	521	748
Allocated using Sampling	3,003	3,468	1,841	1,743	9,931	10,728	-	4,182	6,173	18,957	22,112	22,112
<b>Total Segment Revenue</b>	<b>3,003</b>	<b>3,468</b>	<b>1,841</b>	<b>1,743</b>	<b>9,931</b>	<b>10,728</b>	<b>748</b>	<b>4,182</b>	<b>6,173</b>	<b>19,478</b>	<b>22,860</b>	<b>22,860</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>3,003</b>	<b>3,468</b>	<b>1,841</b>	<b>1,743</b>	<b>9,931</b>	<b>10,728</b>	<b>748</b>	<b>4,182</b>	<b>6,173</b>	<b>19,478</b>	<b>22,860</b>	<b>22,860</b>
Total Direct Costs	24	11	25	30	182	182	8	1,230	1,989	1,469	2,215	2,215
Total Indirect Costs	3,144	2,928	1,705	3,103	12,632	16,647	593	3,191	4,788	21,097	28,059	28,059
Total Common Costs	1,134	1,151	619	1,191	4,609	6,452	187	1,584	2,626	8,045	11,607	11,607
<b>Service Expenditure</b>	<b>4,302</b>	<b>4,090</b>	<b>2,349</b>	<b>4,324</b>	<b>17,423</b>	<b>23,281</b>	<b>783</b>	<b>6,005</b>	<b>9,403</b>	<b>30,611</b>	<b>41,881</b>	<b>41,881</b>
<b>Net Segment Profit/(Loss)</b>	<b>(1,299)</b>	<b>(622)</b>	<b>(508)</b>	<b>(2,581)</b>	<b>(7,492)</b>	<b>(12,553)</b>	<b>(35)</b>	<b>(1,823)</b>	<b>(3,230)</b>	<b>(11,133)</b>	<b>(19,021)</b>	<b>(19,021)</b>

# Summary Income Statement for Mails Business Segment continued - Non USO

International (Inbound) - Rest of World	Total Non USO		Total International (Inbound) - Rest of World	
	2020	2019	2020	2019
<b>Volume ('000s)</b>	1,688	1,478	16,136	21,327
<b>Revenue</b>	€'000	€'000	€'000	€'000
Directly Attributable	7120	5,796	7,641	6,544
Allocated using Sampling	-	-	18,957	22,112
<b>Total Segment Revenue</b>	<b>7,120</b>	<b>5,796</b>	<b>26,598</b>	<b>28,656</b>
Inter-segment revenue	-	-	-	-
<b>Service Revenue</b>	<b>7,120</b>	<b>5,796</b>	<b>26,598</b>	<b>28,656</b>
Total Direct Costs	1,989	1,455	3,458	3,670
Total Indirect Costs	4,728	3,435	25,825	31,494
Total Common Costs	2,662	2,039	10,707	13,646
<b>Service Expenditure</b>	<b>9,379</b>	<b>6,928</b>	<b>39,990</b>	<b>48,809</b>
<b>Net Segment Profit/(Loss)</b>	<b>(2,259)</b>	<b>(1,132)</b>	<b>(13,392)</b>	<b>(20,153)</b>

# Summary Income Statement for Mails Business Segment continued - USO

International (Outbound) Segment	Universal Services										Total USO	
	Letters (Note 1)		Flats (Note 1)		Packets (Note 1)		Parcels		Registered		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	11,166 €'000	12,299 €'000	2,072 €'000	2,271 €'000	2,072 €'000	1,864 €'000	211 €'000	175 €'000	810 €'000	845 €'000	16,330 €'000	17,453 €'000
<b>Revenue</b>	2,591	2,917	3,771	3,726	14,909	13,088	7,391	7,688	11,486	11,465	40,148	38,884
Directly Attributable	14,021	14,684	2,334	2,648	3,645	2,915	-	-	-	-	20,001	20,247
Allocated using Sampling	<b>16,612</b>	<b>17,601</b>	<b>6,105</b>	<b>6,374</b>	<b>18,554</b>	<b>16,003</b>	<b>7,391</b>	<b>7,688</b>	<b>11,486</b>	<b>11,465</b>	<b>60,149</b>	<b>59,131</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>16,612</b>	<b>17,601</b>	<b>6,105</b>	<b>6,374</b>	<b>18,554</b>	<b>16,003</b>	<b>7,391</b>	<b>7,688</b>	<b>11,486</b>	<b>11,465</b>	<b>60,149</b>	<b>59,131</b>
Total Direct Costs	9,039	9,844	1,382	1,614	12,840	8,413	2,476	2,656	5,493	4,737	31,230	27,265
Total Indirect Costs	4,627	4,258	2,202	1,670	8,136	5,079	3,697	2,716	1,680	1,229	20,341	14,952
Total Common Costs	4,638	4,801	1,217	1,118	7,126	4,594	1,255	1,331	2,435	2,031	16,670	13,875
<b>Service Expenditure</b>	<b>18,303</b>	<b>18,903</b>	<b>4,801</b>	<b>4,401</b>	<b>28,101</b>	<b>18,086</b>	<b>7,428</b>	<b>6,704</b>	<b>9,608</b>	<b>7,997</b>	<b>68,242</b>	<b>56,092</b>
<b>Net Segment Profit/(Loss)</b>	<b>(1,692)</b>	<b>(1,302)</b>	<b>1,305</b>	<b>1,972</b>	<b>(9,547)</b>	<b>(2,083)</b>	<b>(37)</b>	<b>984</b>	<b>1,878</b>	<b>3,468</b>	<b>(8,093)</b>	<b>3,040</b>

Note 1 - Free postal service for blind and partially sighted persons, Sending books abroad etc. are included under the appropriate category (i.e., letters, flats, packets) above.

# Summary Income Statement for Mails Business Segment continued - Non USO

International (Outbound) Segment	Total Non USO		Total International (Outbound) Segment	
	2020	2019	2020	2019
<b>Volume ('000s)</b>	3,568 €'000	3,383 €'000	19,898 €'000	20,836 €'000
<b>Revenue</b>	15,032	17,017	55,180	55,901
Directly Attributable	-	-	20,001	20,247
Allocated using Sampling	<b>15,032</b>	<b>17,017</b>	<b>75,181</b>	<b>76,148</b>
Inter-segment revenue	-	-	-	-
<b>Service Revenue</b>	<b>15,032</b>	<b>17,017</b>	<b>75,181</b>	<b>76,148</b>
Total Direct Costs	8,168	8,164	39,398	35,429
Total Indirect Costs	8,608	6,446	28,949	21,398
Total Common Costs	4,449	3,989	21,119	17,864
<b>Service Expenditure</b>	<b>21,224</b>	<b>18,599</b>	<b>89,466</b>	<b>74,691</b>
<b>Net Segment Profit/(Loss)</b>	<b>(6,192)</b>	<b>(1,582)</b>	<b>(14,285)</b>	<b>1,457</b>

Note 1 - Bulk Mail Including IBMS Extra and IBMS DSA.

# Summary Income Statement for each Universal Service - USO

Domestic Letter Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Freepost/Business Reply Mail		Total - Fully Paid	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	53,667	51,897	45,417	59,215	4,969	6,055	104,053	117,167
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>								
Directly Attributable	76	99	-	-	4,807	5,898	4,884	5,997
Allocated using Sampling	54,593	52,461	43,644	56,634	-	-	98,237	109,095
<b>Total Segment Revenue</b>	<b>54,669</b>	<b>52,561</b>	<b>43,644</b>	<b>56,634</b>	<b>4,807</b>	<b>5,898</b>	<b>103,121</b>	<b>115,092</b>
Inter-segment revenue	-	-	10	-	218	130	228	130
<b>Service Revenue</b>	<b>54,669</b>	<b>52,561</b>	<b>43,654</b>	<b>56,634</b>	<b>5,025</b>	<b>6,028</b>	<b>103,348</b>	<b>115,222</b>
Total Direct Costs	4,708	2,855	480	527	51	49	5,239	3,432
Total Indirect Costs	40,995	36,299	30,091	35,946	3,253	3,706	74,339	75,951
Total Common Costs	16,370	14,773	10,950	14,064	1,184	1,447	28,504	30,285
<b>Service Expenditure</b>	<b>62,073</b>	<b>53,927</b>	<b>41,521</b>	<b>50,537</b>	<b>4,488</b>	<b>5,203</b>	<b>108,081</b>	<b>109,668</b>
<b>Net Segment Profit/(Loss)</b>	<b>(7,404)</b>	<b>(1,367)</b>	<b>2,133</b>	<b>6,097</b>	<b>537</b>	<b>825</b>	<b>(4,733)</b>	<b>5,555</b>

Domestic Letter Services continued	Bulk Deferred Delivery		Bulk Delivery Only		Other Discount Bulk		Total USO Domestic Letter Services	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	42,983	47,049	-	480	34,231	20,033	181,267	184,729
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>								
Directly Attributable	30,752	32,610	-	355	26,667	15,575	62,303	54,537
Allocated using Sampling	-	-	-	-	-	-	98,237	109,095
<b>Total Segment Revenue</b>	<b>30,752</b>	<b>32,610</b>	<b>-</b>	<b>355</b>	<b>26,667</b>	<b>15,575</b>	<b>160,540</b>	<b>163,633</b>
Inter-segment revenue	-	-	-	-	-	-	228	130
<b>Service Revenue</b>	<b>30,752</b>	<b>32,610</b>	<b>-</b>	<b>355</b>	<b>26,667</b>	<b>15,575</b>	<b>160,767</b>	<b>163,763</b>
Total Direct Costs	138	122	-	1	110	55	5,486	3,610
Total Indirect Costs	20,545	21,150	-	208	18,573	9,901	113,457	107,210
Total Common Costs	7,416	8,558	-	85	6,699	3,950	42,619	42,878
<b>Service Expenditure</b>	<b>28,099</b>	<b>29,829</b>	<b>-</b>	<b>294</b>	<b>25,382</b>	<b>13,907</b>	<b>161,562</b>	<b>153,698</b>
<b>Net Segment Profit/(Loss)</b>	<b>2,654</b>	<b>2,780</b>	<b>-</b>	<b>61</b>	<b>1,285</b>	<b>1,669</b>	<b>(795)</b>	<b>10,065</b>

# Summary Income Statement for each Universal Service continued - USO

Domestic Flats Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Freepost/Business Reply Mail		Total - Fully Paid	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	5,871	4,967	4,962	5,851	399	609	11,232	11,427
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>								
Directly Attributable	3,612	2,747	-	-	869	1,160	4,481	3,907
Allocated using Sampling	9,435	8,049	10,774	12,581	-	-	20,209	20,631
<b>Total Segment Revenue</b>	<b>13,047</b>	<b>10,796</b>	<b>10,774</b>	<b>12,581</b>	<b>869</b>	<b>1,160</b>	<b>24,690</b>	<b>24,538</b>
Inter-segment revenue	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>13,047</b>	<b>10,796</b>	<b>10,774</b>	<b>12,581</b>	<b>869</b>	<b>1,160</b>	<b>24,690</b>	<b>24,538</b>
Total Direct Costs	492	250	111	84	6	6	609	340
Total Indirect Costs	7,961	6,448	5,693	6,224	412	613	14,066	13,284
Total Common Costs	3,028	2,451	2,079	2,349	150	233	5,256	5,032
<b>Service Expenditure</b>	<b>11,480</b>	<b>9,148</b>	<b>7,883</b>	<b>8,656</b>	<b>567</b>	<b>852</b>	<b>19,931</b>	<b>18,657</b>
<b>Net Segment Profit/(Loss)</b>	<b>1,566</b>	<b>1,648</b>	<b>2,891</b>	<b>3,925</b>	<b>302</b>	<b>308</b>	<b>4,759</b>	<b>5,881</b>

Domestic Flats Services continued	Bulk Deferred Delivery		Bulk Delivery Only		Other Discount Bulk		Total USO Domestic Flats Services	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	601	697	-	8	927	595	12,760	12,726
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>								
Directly Attributable	1,171	1,249	-	11	1,752	1,156	7,405	6,323
Allocated using Sampling	-	-	-	-	-	-	20,209	20,631
<b>Total Segment Revenue</b>	<b>1,171</b>	<b>1,249</b>	<b>-</b>	<b>11</b>	<b>1,752</b>	<b>1,156</b>	<b>27,614</b>	<b>26,953</b>
Inter-segment revenue	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>1,171</b>	<b>1,249</b>	<b>-</b>	<b>11</b>	<b>1,752</b>	<b>1,156</b>	<b>27,614</b>	<b>26,953</b>
Total Direct Costs	9	8	-	-	14	7	632	354
Total Indirect Costs	501	524	-	4	803	463	15,369	14,275
Total Common Costs	183	206	-	2	293	181	5,732	5,420
<b>Service Expenditure</b>	<b>693</b>	<b>737</b>	<b>-</b>	<b>6</b>	<b>1,110</b>	<b>650</b>	<b>21,733</b>	<b>20,050</b>
<b>Net Segment Profit/(Loss)</b>	<b>479</b>	<b>512</b>	<b>-</b>	<b>5</b>	<b>642</b>	<b>506</b>	<b>5,880</b>	<b>6,903</b>



# Summary Income Statement for each Universal Service continued - USO

Domestic Parcel Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Freepost/Business Reply Mail		Other Discount Bulk		Total Domestic Packets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	3,045	1,776	679	845	132	124	12	2	3,868	2,747
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>										
Directly Attributable	12,001	6,593	-	-	632	565	61	14	12,695	7,172
Allocated using Sampling	4,754	2,616	3,857	5,141	-	-	-	-	8,611	7,757
<b>Total Segment Revenue</b>	<b>16,755</b>	<b>9,208</b>	<b>3,857</b>	<b>5,141</b>	<b>632</b>	<b>565</b>	<b>61</b>	<b>14</b>	<b>21,306</b>	<b>14,929</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>16,755</b>	<b>9,208</b>	<b>3,857</b>	<b>5,141</b>	<b>632</b>	<b>565</b>	<b>61</b>	<b>14</b>	<b>21,306</b>	<b>14,929</b>
Total Direct Costs	925	123	170	32	30	3	13	-	1,139	158
Total Indirect Costs	9,664	5,451	1,912	2,265	319	290	18	6	11,913	8,012
Total Common Costs	3,802	2,044	748	852	126	110	11	2	4,687	3,009
<b>Service Expenditure</b>	<b>14,391</b>	<b>7,618</b>	<b>2,830</b>	<b>3,149</b>	<b>475</b>	<b>404</b>	<b>43</b>	<b>9</b>	<b>17,739</b>	<b>11,179</b>
<b>Net Segment Profit/(Loss)</b>	<b>2,364</b>	<b>1,590</b>	<b>1,027</b>	<b>1,993</b>	<b>157</b>	<b>161</b>	<b>18</b>	<b>5</b>	<b>3,566</b>	<b>3,750</b>
<b>Domestic Parcel Services</b>										
	<b>Fully Paid - Stamped and Labels</b>		<b>Fully Paid - Metered</b>		<b>Fully Paid - Metered</b>		<b>Fully Paid - Metered</b>		<b>Total - Fully Paid</b>	
<b>Volume ('000s)</b>	1,022	456	181	137	181	137	181	137	1,203	593
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>										
Directly Attributable	10,708	5,085	1,890	1,519	1,890	1,519	1,890	1,519	12,598	6,604
Allocated using Sampling	-	-	-	-	-	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>10,708</b>	<b>5,085</b>	<b>1,890</b>	<b>1,519</b>	<b>1,890</b>	<b>1,519</b>	<b>1,890</b>	<b>1,519</b>	<b>12,598</b>	<b>6,604</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>10,708</b>	<b>5,085</b>	<b>1,890</b>	<b>1,519</b>	<b>1,890</b>	<b>1,519</b>	<b>1,890</b>	<b>1,519</b>	<b>12,598</b>	<b>6,604</b>
Total Direct Costs	2,089	655	217	94	217	94	217	94	2,306	749
Total Indirect Costs	4,688	2,447	740	590	740	590	740	590	5,428	3,037
Total Common Costs	1,497	625	264	187	264	187	264	187	1,761	812
<b>Service Expenditure</b>	<b>8,274</b>	<b>3,727</b>	<b>1,221</b>	<b>871</b>	<b>1,221</b>	<b>871</b>	<b>1,221</b>	<b>871</b>	<b>9,495</b>	<b>4,598</b>
<b>Net Segment Profit/(Loss)</b>	<b>2,434</b>	<b>1,358</b>	<b>669</b>	<b>648</b>	<b>669</b>	<b>648</b>	<b>669</b>	<b>648</b>	<b>3,103</b>	<b>2,006</b>

# Summary Income Statement for each Universal Service continued - USO

International (Outbound) Letter Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Total Fully Paid		IBMS Standard		Total USO Letters	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	7,238	7,681	1,660	1,985	8,898	9,666	2,267	2,633	11,166	12,299
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>	68	75	-	-	68	75	2,522	2,842	2,591	2,917
Directly Attributable	11,674	11,757	2,347	2,927	14,021	14,684	-	-	14,021	14,684
Allocated using Sampling	<b>11,742</b>	<b>11,832</b>	<b>2,347</b>	<b>2,927</b>	<b>14,089</b>	<b>14,759</b>	<b>2,522</b>	<b>2,842</b>	<b>16,612</b>	<b>17,601</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>11,742</b>	<b>11,832</b>	<b>2,347</b>	<b>2,927</b>	<b>14,089</b>	<b>14,759</b>	<b>2,522</b>	<b>2,842</b>	<b>16,612</b>	<b>17,601</b>
Total Direct Costs	5,622	6,507	1,859	1,743	7,480	8,250	1,558	1,595	9,039	9,844
Total Indirect Costs	3,554	3,414	641	578	4,195	3,992	432	266	4,627	4,258
Total Common Costs	3,114	3,377	848	790	3,963	4,168	675	633	4,638	4,801
<b>Service Expenditure</b>	<b>12,290</b>	<b>13,298</b>	<b>3,348</b>	<b>3,111</b>	<b>15,638</b>	<b>16,409</b>	<b>2,665</b>	<b>2,494</b>	<b>18,303</b>	<b>18,903</b>
<b>Net Segment Profit/(Loss)</b>	<b>(548)</b>	<b>(1,465)</b>	<b>(1,001)</b>	<b>(184)</b>	<b>(1,549)</b>	<b>(1,650)</b>	<b>(143)</b>	<b>348</b>	<b>(1,692)</b>	<b>(1,302)</b>

International (Outbound) Flats Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Total Fully Paid		IBMS Standard		Total USO Flats	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	1,133	1,075	265	402	1,398	1,477	674	794	2,072	2,271
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>	2,572	2,366	-	-	2,572	2,366	1,200	1,360	3,771	3,726
Directly Attributable	1,490	1,411	844	1,237	2,334	2,648	-	-	2,334	2,648
Allocated using Sampling	<b>4,062</b>	<b>3,777</b>	<b>844</b>	<b>1,237</b>	<b>4,906</b>	<b>5,014</b>	<b>1,200</b>	<b>1,360</b>	<b>6,105</b>	<b>6,374</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>4,062</b>	<b>3,777</b>	<b>844</b>	<b>1,237</b>	<b>4,906</b>	<b>5,014</b>	<b>1,200</b>	<b>1,360</b>	<b>6,105</b>	<b>6,374</b>
Total Direct Costs	927	906	249	368	1,176	1,274	207	340	1,382	1,614
Total Indirect Costs	1,590	1,186	278	304	1,868	1,490	334	180	2,202	1,670
Total Common Costs	854	712	179	229	1,033	941	184	177	1,217	1,118
<b>Service Expenditure</b>	<b>3,371</b>	<b>2,804</b>	<b>705</b>	<b>900</b>	<b>4,076</b>	<b>3,705</b>	<b>724</b>	<b>697</b>	<b>4,801</b>	<b>4,401</b>
<b>Net Segment Profit/(Loss)</b>	<b>691</b>	<b>973</b>	<b>139</b>	<b>336</b>	<b>829</b>	<b>1,309</b>	<b>475</b>	<b>663</b>	<b>1,305</b>	<b>1,972</b>

# Summary Income Statement for each Universal Service continued - USO

International (Outbound) Packets Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Total Fully Paid		IBMS Standard		Total USO Packets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	1,720	1,484	78	102	1,797	1,586	275	277	2,072	1,864
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>										
Directly Attributable	13,794	11,929	-	-	13,794	11,929	1,115	1,159	14,909	13,088
Allocated using Sampling	3,044	2,164	602	751	3,645	2,915	-	-	3,645	2,915
<b>Total Segment Revenue</b>	<b>16,838</b>	<b>14,093</b>	<b>602</b>	<b>751</b>	<b>17,439</b>	<b>14,844</b>	<b>1,115</b>	<b>1,159</b>	<b>18,554</b>	<b>16,003</b>
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>16,838</b>	<b>14,093</b>	<b>602</b>	<b>751</b>	<b>17,439</b>	<b>14,844</b>	<b>1,115</b>	<b>1,159</b>	<b>18,554</b>	<b>16,003</b>
<b>Transport</b>										
Total Direct Costs	10,942	6,905	483	489	11,425	7,393	1,414	1,020	12,840	8,413
Total Indirect Costs	7,130	4,496	278	234	7,407	4,730	729	349	8,136	5,079
Total Common Costs	6,139	3,881	258	246	6,398	4,127	728	466	7,126	4,594
<b>Service Expenditure</b>	<b>24,211</b>	<b>15,282</b>	<b>1,019</b>	<b>969</b>	<b>25,230</b>	<b>16,251</b>	<b>2,871</b>	<b>1,835</b>	<b>28,101</b>	<b>18,086</b>
<b>Net Segment Profit/(Loss)</b>	<b>(7,373)</b>	<b>(1,189)</b>	<b>(418)</b>	<b>(218)</b>	<b>(7,791)</b>	<b>(1,407)</b>	<b>(1,756)</b>	<b>(676)</b>	<b>(9,547)</b>	<b>(2,083)</b>

International (Outbound) Parcel Services	Fully Paid - Stamped and Labels		Fully Paid - Metered		Total Fully Paid		Total - Fully Paid	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Volume ('000s)</b>	179	135	32	40	211	175	211	175
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Revenue</b>								
Directly Attributable	6,283	5,920	1,108	1,768	7,391	7,688	7,391	7,688
Allocated using Sampling	-	-	-	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>6,283</b>	<b>5,920</b>	<b>1,108</b>	<b>1,768</b>	<b>7,391</b>	<b>7,688</b>	<b>7,391</b>	<b>7,688</b>
Inter-segment revenue	-	-	-	-	-	-	-	-
<b>Service Revenue</b>	<b>6,283</b>	<b>5,920</b>	<b>1,108</b>	<b>1,768</b>	<b>7,391</b>	<b>7,688</b>	<b>7,391</b>	<b>7,688</b>
Total Direct Costs	2,117	2,066	359	590	2,476	2,656	2,476	2,656
Total Indirect Costs	3,186	2,147	511	568	3,697	2,715	3,697	2,715
Total Common Costs	1,067	865	188	467	1,255	1,332	1,255	1,332
<b>Service Expenditure</b>	<b>6,370</b>	<b>5,078</b>	<b>1,058</b>	<b>1,625</b>	<b>7,428</b>	<b>6,703</b>	<b>7,428</b>	<b>6,703</b>
<b>Net Segment Profit/(Loss)</b>	<b>(87)</b>	<b>842</b>	<b>50</b>	<b>143</b>	<b>(37)</b>	<b>985</b>	<b>(37)</b>	<b>985</b>

# Notes to the Regulatory Financial Statements

## 1. Reconciliation of Revenue to the Statutory Accounts

	2020 €m	2019 €m
Mails USO	383.2	370.1
Mails Non USO	288.7	258.7
Consolidation Adjustments	(18.6)	(18.3)
Regulatory Accounts Adjustments*	0.9	2.3
<b>Postage: Letters &amp; Parcels</b>	<b>654.2</b>	<b>612.8</b>
Retail	151.0	162.9
Interest Income & Other Services	110.3	116.4
<b>Revenue Per Statutory Accounts</b>	<b>915.5</b>	<b>892.1</b>
*Regulatory Accounts Adjustments		
Stamp Retailing Commission etc.	(1.9)	(1.0)
Terminal Dues	2.8	3.3
<b>Total</b>	<b>0.9</b>	<b>2.3</b>

## 2. Reconciliation of Operating Costs to the Statutory Accounts

	2020 €m	2019 €m
Mails USO Per Regulatory Accounts	391.7	362.1
Mails Non USO	297.0	239.6
Regulatory Accounts Adjustments*	(1.9)	(1.0)
Retail	149.7	144.9
Corporate/Subsidiaries etc.	89.4	104.6
<b>Operating Costs Per Statutory Accounts</b>	<b>926.0</b>	<b>850.2</b>
*Regulatory Accounts Adjustments		
Stamp Retailing Commission etc.	(1.9)	(1.0)
<b>Total</b>	<b>(1.9)</b>	<b>(1.0)</b>

## 3. Reconciliation of Profit/(Loss) to the Statutory Accounts

	2020 €m	2019 €m
Mails USO Per Regulatory Accounts	(8.5)	8.0
Mails Non USO	(8.3)	19.1
Retail	(12.7)	1.4
Regulatory Accounts Adjustments*	2.8	3.3
Corporate/Subsidiaries etc.	16.2	10.3
<b>Operating (Loss)/Profit - Continuing Operations</b>	<b>(10.5)</b>	<b>42.1</b>
*Regulatory Accounts Adjustments		
Revenue	(0.9)	(2.3)
Expenditure	(1.9)	(1.0)
<b>Total</b>	<b>(2.8)</b>	<b>(3.3)</b>

**4. Non Current Assets**

	Land & Buildings €m	Motor Vehicles €m	Computer & Other Equipment €m	Total €m
Net Book Values as at 31/12/2019	152.9	3.8	92.8	249.5
Additions/Disposals/Other	5.8	3.4	36.1	45.3
Depreciation	(6.0)	(2.6)	(25.6)	(34.2)
<b>Net Book Values as at 31/12/2020</b>	<b>152.7</b>	<b>4.6</b>	<b>103.3</b>	<b>260.6</b>

**5. Trade and other receivables**

	2020 €m	2019 €m
Trade Debtors	78.9	49.8
Inter Group Debtors	4.4	1.7
Prepayments & Accrued Income	20.5	6.5
<b>Total</b>	<b>103.8</b>	<b>58.0</b>

**6. Creditors (Amounts falling due within 1 year)**

	2020 €m	2019 €m
Trade Creditors	19.7	24.9
Inter Group & Other Creditors	10.6	4.3
Taxation and Social Welfare	19.8	13.8
Accruals	49.0	37.3
Right of Use Asset Lease liability	17.1	17.9
Deferred Income - Capital Grants	0.1	0.1
Deferred Postage Income	10.4	10.2
<b>Total</b>	<b>126.7</b>	<b>108.5</b>

## Notes to the Regulatory Financial Statements continued

### 7. Creditors (Amounts falling due after 1 year)

	2020	2019
	€m	€m
Right of Use Asset Lease liability	65.2	64.8
Government Loan	15.0	15.0
Deferred Income - Capital Grants	2.5	2.6
<b>Total</b>	<b>82.7</b>	<b>82.4</b>

### 8. Payroll Costs by Cost Type

	2020	2019
	€'000	€'000
The aggregate payroll costs and postmasters' costs were as follows:		
Wages and salaries	446,465	419,056
Postmasters: Engaged as Agents	61,597	65,622
Social Insurance Costs	43,263	39,655
Pension costs	51,506	41,535
<b>Total Payroll and Postmasters' Costs</b>	<b>602,831</b>	<b>565,868</b>

# Universal Service

## The Communications Regulation (Postal Services) Act 2011 ('the Act') was enacted in August 2011.

### Requirements of the Universal Service Obligation ('USO')

Under Section 17 of the Act, An Post is designated as the Universal Postal Service Provider for a period until August 2023.

Under Section 16 of the Act, "Universal Postal Service" means that on every working day, except in such circumstances or geographical conditions deemed exceptional by ComReg, there is at least:

- (i) one clearance, and
- (ii) one delivery to the home or premises of every person in the State or, as ComReg considers appropriate, under such conditions as it may determine from time to time, to appropriate installations.

The following services are provided:

- (a) the clearance, sorting, transport and distribution of postal packets up to 2kg in weight;
- (b) the clearance, sorting, transport and distribution of postal parcels to a weight limit to be specified by order of ComReg. ComReg used its power to change the maximum weight limit to 10kg in 2019;
- (c) the sorting, transportation and distribution of parcels from other Member States of the European Union up to 20kg in weight;
- (d) a registered items service;
- (e) an insured items service within the State and to and from all countries which, as signatories to the Universal Postal Convention of the Universal Postal Union, declare their willingness to admit such items whether reciprocally or in one direction only; and
- (f) postal services free of charge to blind and partially sighted persons.

As required by Section 16(9) of the Act, in July 2012 ComReg made regulations specifying the services to be provided by An Post relating to the provision of the universal postal service. The Communication Regulation (Universal Postal Services) Regulations, S.I. 280 of 2012 which sets out these services is available on [www.irishstatutebook.ie](http://www.irishstatutebook.ie) or [www.comreg.ie](http://www.comreg.ie).

The terms and conditions of Universal Services are available on [www.anpost.com](http://www.anpost.com).

### Access to Universal Services

An Post provides access to its services through its network of 45 Company post offices and 894 Contract post offices. In addition, some 1,167 retail premises are licensed to sell postage stamps, as active licensed agents. To facilitate physical access to the service, 5,684 post boxes, including Meter Post Boxes and those located in Delivery Service Units, are distributed widely throughout the State. There are 43 designated acceptance points for bulk mail services.



## Universal Service continued

### Tariffs

The following is a summary of the prices for standard services weighing up to 100g which are applicable since 8 November 2019.

Ireland & NI	Letters (up to C5)	Large Envelopes	Packets	Parcels
Standard Post	€1.00 95c if item bears a franking impression	€2.00 €1.95 if item bears a franking impression	€3.80 €3.70 if item bears a franking impression	€9.00
Registered Post*	€8.00	€8.20	€8.20	€13.00

\*The fee payable for the basic registered service covers compensation up to a maximum of €320. Further compensation (non Universal Service) up to a limit of €1,500 is available for €4.50 and up to a limit of €2,000 for €5.50 based on declared value at time of posting.

International destinations	Letters (up to C5)	Large Envelopes	Packets	Parcels
			GB (Great Britain) EUR (Europe) ROW (Rest of World)	GB (Great Britain) EUR (Europe) ROW (Rest of World)
Standard Post	€1.70	€2.90	GB €5.50 EUR €6.00 ROW €7.00	GB €21.00 EUR €28.00 ROW €29.00
Registered Post*	€8.70	€9.90	GB €12.50 EUR €13.00 ROW €14.00	GB €29.00 EUR €35.00 ROW €36.00

\*Availability of service dependent on postal administration in destination country. Compensation up to €320 in GB; €150 in Europe; €100 for parcels and €35 for letters outside Europe. A full list of current USO tariffs is available in the Guide to Postal Rates (see [www.anpost.com](http://www.anpost.com)).

Note - The Communications Regulation (Postal Services)(Amendment) Act 2017<sup>1</sup> was passed by the Houses of the Oireachtas on 15 March 2017. This legislation repeals the price cap mechanism set out under Section 30 of the 2011 Act.

### Quality of Service

#### International

The quality performance standard for the delivery of intra-Community cross-border mail was laid down in the Postal Directives (97/67/EC as amended) and is included in Schedule 3 of the Act. The quality standard for postal items of the fastest standard category is as follows:

**D+3: 85% of items; D+5: 97% of items**, where D refers to the day of posting.

#### Domestic

The Act requires ComReg to set quality of service standards for domestic universal service mail which must be compatible with those for intra-Community cross-border services. ComReg have set a quality of service target for domestic single piece priority mail as follows:

**D+1: 94% D+3: 99.5%**, where D refers to the day of posting.

<sup>1</sup>[www.irishstatutebook.ie/eli/2017/act/3/enacted/en/print.html](http://www.irishstatutebook.ie/eli/2017/act/3/enacted/en/print.html)

## Customer Complaints

An Post is required to maintain records of customer complaints taking into account the relevant European standard IS: EN 14012:2003. The table provides, in relation to mail, a breakdown of written complaints received from customers during 2020. The total continues to represent a minute fraction of the entire mail traffic handled during the year.

Written complaints received from customers	2020	2019
Items lost or substantially delayed	39,446	24,928
Items damaged	1,673	1,313
Items arriving late	3	367
Mail collection or delivery:		
Failure to make daily delivery to home or premises	28	23
Collection times/Collection failures	1	5
Misdelivery	2,590	1,364
Tariffs for single piece mail/discount schemes and conditions	-	6
Change of address (Redirections)	650	487
Behaviour and competence of postal personnel	16	71
Underpaid mail	6	-
Other (not included in above)	3,669	2,793
<b>Total</b>	<b>48,076</b>	<b>31,357</b>

Included in the total figure are complaints about registered items, which number 8,774, (2019: 7,961).

In 2020, there were 786,150 telephone calls (2019: 680,504) made to An Post Customer Services. Most of these were routine or general enquiries rather than complaints. In addition, there was a total of 155,337 webchats for the year (2019: N/A).

ComReg has issued Guidelines for Postal Service Providers on Complaints and Redress Procedures (see ComReg document 14/06 on [www.comreg.ie](http://www.comreg.ie)). An Post Complaint and Dispute Resolution Procedures are set out in 'Getting it Sorted', which is available on our website, in retail outlets, and from our Customer Services Centre.

We also have a Customer Charter, containing specific pledges to customers regarding our services, which is also available on our website; <https://www.anpost.com>.

## Further Information

Additional information in relation to services provided by An Post is available at [www.anpost.com/Help-Support](http://www.anpost.com/Help-Support), by phoning An Post Customer Services on 01-705 7600, by email at [www.anpost.com/contactus](mailto:www.anpost.com/contactus), by completing an online enquiry form at <https://forms.anpost.ie/enquiry>, by writing to An Post Customer Services, General Post Office, O'Connell Street Lower, Freeport, Dublin 1, F01 F5P2 or by calling into any Post Office.

# Glossary and Explanation of Terms

## 2020

Year ended 31 December 2020

## 2019

Year ended 31 December 2019

## Accounting Manual

The An Post Accounting Manual for the Accounting period commencing 1 January 2020.

## Act

Communications Regulation (Postal Services) Act, 2011 (transposing the Directive (as amended)).

## Activity Based Costing (ABC)

Activity based costing is a widely used and accepted method of costing products and services based upon the cost of the activities required to produce these outputs. Activity costs are assigned to outputs based upon pre-defined cost drivers. These cost-drivers provide a measure of the intensity or frequency of an activity demanded by a product or service and reflect a cause and effect relationship.

## APBI

An Post Business Intelligence

## ComReg

Commission for Communications Regulation, designated as the National Regulatory Authority under the Regulations.

## Direction

Direction on the accounting systems of An Post (issued by ComReg on 20 January 2017 for accounting periods commencing on or after 1 January 2017).

## Directive

EC directive 97/67/EC as amended by 2002/39/EC and 2008/6/EC.

## Fully Allocated Cost (FAC)

The summation of direct and indirect costs for products or services such that no costs are left unallocated.

## IFRS (EU IFRS)

International Financial Reporting Standards, as adopted by the EU.

## IPC

International Post Corporation

## Pipeline

The sequence of operational processes that is followed by an item of mail. The full pipeline is: Revenue Collection, Collection, Outward Sortation, Transport, Inward Sortation and Preparation and Delivery.

## Postal Services

A collective term for USO and other Mails products.

## Price Cap Mechanism

Price Cap Mechanism as set out in Section 30 of the Act.

## Products and Services Offered to Customers

For a full list of products refer to [www.anpost.com](http://www.anpost.com).

## Regulatory Financial Statements (Regulatory Accounts)

The statements, accounts and reports which specifically refer to the year ended 31 December 2020.

## Revenue Derived Traffic

Stamped and Metered volumes derived from reported revenue using the results of sampling - a survey of mail formats and profiles.

## RRSM

Revenue Recognition Sales Model

## Sampling Plan

The Sampling Plan designed by PricewaterhouseCoopers in accordance with the relevant standard (IS:EN 13850:2012).

## Standard Fill

The average number of mail items by format per container type (e.g. number of letters per tray, number of packets per cage) used in operational volumes counting.

## UPU

Universal Postal Union (Inter country organisation governing international rates)

## USP

Universal Service Provider

## USO

Universal Service Obligation

## Volumes

Volumes refer to addressed mail.



