

**AN POST**

**SUMMARY  
REGULATORY  
FINANCIAL  
STATEMENTS 2014**

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These Summary Regulatory Financial Statements are an extract from the 2014 Regulatory Financial Statements.

# FINANCIAL SUMMARY AND BUSINESS REVIEW

## Profit and Loss Account for Universal Service and Mails Business Segment Year ended 31 December 2014

	USO		Non USO		Total Mails	
	2014	2013	2014	2013	2014	2013
Volumes ('000s)	435,815	498,810	185,464	133,985	621,279	632,795
	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	364,682	375,984	173,609	148,632	538,291	524,616
Total Expenditure	402,910	431,531	162,342	141,674	565,252	573,205
<b>Profit/(Loss)</b>	<b>(38,228)</b>	<b>(55,547)</b>	<b>11,267</b>	<b>6,958</b>	<b>(26,961)</b>	<b>(48,589)</b>

Note: There was some movement of volumes between USO and Non USO services. This can impact the volume percentage change within the service areas. The services included in the USO are set out in the Communications Regulation (Universal Postal Service) Regulations 2012, S.I. No. 280 of 2012.

2014 was a year of significant challenge and change at An Post as the Company continued to adapt in order to stay relevant to our customers. We made very impressive progress in this regard:

### Group

- › We produced a Group operating profit of €5.9m and an overall profit for the financial year of €24.2m.
- › The plan to address the difficulties facing the Pension scheme was accepted by The Pensions Authority.
- › We have achieved further significant cost reductions including a Full Time Equivalent (FTE) reduction of 217 in the year.

### Mails

- › Quality of Service in our Mails operations exceeded our targets in both Domestic and International delivery.
- › We successfully completed our €40m Mails Automation Programme.
- › The Mails Price Cap mechanism was agreed and it had a significant impact – this also means that we have certainty on pricing for the next three years.
- › Our Domestic parcels and packets business continued to grow strongly.

### Retail and Subsidiaries

- › Our Retail business continued to develop new revenue streams and maintained profitability; the National Treasury Management Fund is now over €19bn, 17% of the personal savings market.
- › We were successful in winning the new Department of Social Protection contract.
- › Our other Group businesses have continued to perform strongly in line with the Business Plan.
- › Premier Lotteries Ireland Limited, of which we are a shareholder, successfully took over the running of the National Lottery.

In monitoring performance, the directors and management have regard to a range of key performance indicators (KPIs), including the following:

## KPI

	Performance in 2014	Performance in 2013
<b>Operating result before exceptional items</b>		
Operating profit as a percentage of turnover	0.72%	(1.4%)
Staff costs as a percentage of total operating costs	58.0%	58.2%
Postmasters' costs as a percentage of total operating costs	9.8%	9.8%
Other operating costs as a percentage of total operating costs	32.2%	32.0%
Cash at bank and in hand	€55.6m	€63.9m
<b>Staff – Average Full Time Equivalent (FTE)</b>		
Company	9,237	9,344
Subsidiaries	787	801
Group	10,024	10,145
Company year end FTE run rate	8,521	8,738
<b>Mails business</b>		
Core mail volumes	(3.3%)	(2.0%)
<b>Customer Service</b>		
Written enquiries	22,290	25,815
Telephone enquiries	534,354	514,698

Despite the general upturn in the economy, the Company is still in a difficult trading environment for core mails products. Postal operators elsewhere are in the same situation. In general they are dealing with their business environment in the same way as we are. We continue to focus on operational productivity, consolidation and automation as well as embedding innovation and targeting specific growth sectors in the Mails business.

The positive trends in real GDP, employment and consumption within the Irish economy continued in 2014. There is greater confidence that Irish markets will continue to grow, with a consequent inward flow of investment and this should have a positive impact on our financial performance.

Volume decline is certainly challenging the basis of the current postal business model, since 2008 we have lost one third of our mails volumes due to economic and technological factors. There is a need to examine the future of the USO and the postal service in general. The overall aim must be that the country has a sustainable service which meets the needs of both senders and receivers into the future. It is crucial that there is stakeholder alignment around a future vision of the service.

# FINANCIAL REVIEW

The financial year 2014 ended with a Group operating profit of €5.9m compared to a pre exceptional Group operating loss of €11.5m the previous year.

	2014 €m	2013 €m
Turnover	820.6	811.7
Group Operating Profit/(Loss)	5.9	(11.5)
Profit/(Loss) for Financial year	24.2	5.9
Net Assets (Excluding Pension Liability)	217.4	224.3

The improvement of €17.4m in the Group operating result for 2014, when compared with 2013, represents a very significant achievement in returning to an operating profit.

## Revenue

It is very satisfactory to report that Group revenue increased to €820.6m during the course of the year. Mails revenue overall in 2014 as reported in the Statutory Accounts is €521.3m, being €10.6m (2.1%) higher than 2013. The key movements were; price increase of €15.3m, election revenue of €9.4m and adverse volume decline €14.1m.

Traditional mail volume reduced by 3.3% in the course of the year. This is along expected lines (budget had been for 3.5% decline) and represents a structural change in the postal industry with e-substitution being the main driver. The trends in Ireland reflect the trends experienced elsewhere in the postal sector.

The impact of increased pricing added €15.3m in revenue in 2014 versus 2013 and this policy of price increases is in line with that being followed by most national postal operators.

## Costs

Change programme implementation continued over the course of the year. In the period since 2008 there has been a reduction in the FTE number in the Company by 1,836 and the annualised labour cost has reduced by over €75m since 2008.

## Outlook

The financial result in 2014 is a very significant achievement bringing the operating profit to €5.9m from a pre exceptional operational loss of €11.5m. The trading performance achieved and the cash resources on the Balance Sheet provide a solid starting position for the next five year business plan. Implementing appropriate pricing, improving quality and cost efficiency in the core business, combined with the successful diversification, has re-positioned the Group and facilitates a sustainable financial basis into the future.

## Year ended 31 December 2014

	2014 Total USO	2013 Total USO
Volumes ('000s)	435,815	498,810
	€'000	€'000
Turnover	364,682	375,984
Total Expenditure	402,910	431,531
<b>(Loss)</b>	<b>(38,228)</b>	<b>(55,547)</b>

Specific items included in the Statutory Accounts have been excluded from the Regulatory Accounts in line with the Accounting Policy on Excluded Items as outlined in the Regulatory Accounting Principles and Basis of Preparation. Reconciliation to the profit in the Statutory Accounts is included in Note 3 to these Accounts.

## USO Performance

An Post is designated in the 2011 Act as the national postal Universal Service provider. This involves the fulfilment of an everyday mail service to every household in the country.

There are significant costs associated with the provision of the USO, many of which are fixed in nature. In 2014 the USO loss recorded in the Regulatory Accounts is €38.2m, which is funded by revenue from other income streams. A funding structure such as this is typical of national postal operators to date. Arising from structural changes in the postal industry, led mainly by reduced volume and e-substitution, there is considerable debate amongst analysts as to whether this business model is sustainable in the longer term.

## 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).

Volumes of mail delivered in Ireland, excluding election traffic, have continued to decline in 2014. The decline of circa 3.5% experienced by An Post in 2014 is further evidence of the continuing global decline in traditional mail.

USO Revenues decreased by circa 3% mainly due to the ongoing decline in volumes and the introduction of new discounts which attracted some mail away from the USO service to Non USO services, offset by price increases.

## Price

In July of 2014, prices in the Universal Services area were increased in line with the Price Cap Mechanism as detailed at Section 30 of the Communications Regulation (Postal Services) Act 2011 and ComReg Document 14/59 (and Decision D 05/14). The increases implemented moved the first price point on the domestic letter service from 60c to 68c, still well below the European average. Prices in the Mails Non USO area were also increased in July 2014.

# USO PERFORMANCE CONT.

## Costs

Total costs in the Mails business segment reduced by €8m in 2014. The labour cost and non pay savings related to the automation and change programmes and price impacts are mainly reflected in this area.

## Profit/(Loss)

An analysis of the USO performance categorised by segment (i.e. domestic, inbound international and outbound international), is shown below:

<b>Profit/(Loss) (€'000)</b>	<b>2014 Total USO</b>	<b>2013 Total USO</b>
Domestic	(21,063)	(38,497)
Inbound International	(14,799)	(13,422)
Outbound International	(2,366)	(3,628)
(Loss)	<b>(38,228)</b>	<b>(55,547)</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 9 to 11.

The Directors confirm that, in preparing the Regulatory Financial Statements:

- The Regulatory Financial Statements have been prepared using accounting systems operating on the basis of objectively justifiable cost accounting principles that assign cost and revenue data to products
- Costs and revenues have been directly allocated to products as far as practicable. Common operational costs that cannot be directly assigned are attributed to products using appropriate cost drivers as required in the Direction. In line with the activity based costing approaches, estimates are required and have been applied. Where there is no obvious driver to assign overhead costs to products, a general allocator is used to assign the costs
- The Regulatory Financial Statements have been prepared in accordance with the An Post Accounting Manual for the year commencing 1 January 2014 (the 'Accounting Manual') and the Regulatory Accounting Principles and Basis of Preparation set out on pages 9 to 11, the Act and the Direction
- The Regulatory Financial Statements are based on the financial records of the business and have been reconciled to the audited An Post Statutory Accounts

In addition, the Directors are responsible for the design and implementation of procedures and processes appropriate to enable them to prepare Regulatory Financial Statements in accordance with the Regulatory Accounting Principles and Basis of Preparation, which have been designed to meet the requirements of the Act and the Direction. These procedures and processes have been documented in the Accounting Manual.

Signed on behalf of the Board of An Post

**Christoph Mueller**, Chairman  
**Donal Connell**, Director  
26 March 2015



# REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY REGULATORY FINANCIAL STATEMENTS TO THE DIRECTORS OF AN POST AND COMREG

## **Independent Auditor's report to the Directors of An Post ('the Company') and the Commission for Communications Regulation ('ComReg', 'the Regulator') on the summary regulatory financial statements**

The accompanying Summary Financial Statements for the year ended 31 December 2014, which comprise the regulatory profit and loss accounts, the regulatory balance sheet and the related notes are derived from the audited Regulatory Financial Statements of An Post for the year ended 31 December 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 26 March 2015.

The Summary Financial Statements do not contain all the disclosures required by the Communications Regulation (Postal Services) Act, 2011 ('the Act') and the 2006 Accounting Direction issued by ComReg (the 'Direction'). Reading the Summary Financial Statements, therefore, is not a substitute for reading the audited Regulatory Financial Statements of An Post.

Our opinion is provided solely for the purpose of reporting to the directors and Regulator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this statement, or for the opinions we have formed.

### **Directors' responsibility for the summary financial statements**

The Directors' responsibilities for preparing the Regulatory Financial Statements in accordance with the Regulations and the Direction and are set out in the Statement of Responsibilities on page 7. The Directors are responsible for the preparation of a summary of the audited financial statements on the basis described on page 9.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the Summary Regulatory Financial Statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

Our opinion on the Regulatory Financial Statements is separate from our opinion on the statutory accounts of the Company on which we expressed an unqualified audit opinion on 26 March 2015, which are prepared for a different purpose. Our audit report in relation to the statutory accounts of the Company (our statutory audit) was made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory auditor's report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company and the Company's members as a body, for our statutory audit work, for our statutory audit report, or for the opinions we have formed in respect of that statutory audit.

### **Opinion**

In our opinion, the Summary Regulatory Financial Statements derived from the audited Regulatory Financial Statements of An Post for the year ended 31 December 2014 are consistent, in all material respects, with those Regulatory Financial Statements, on the basis described on Page 9.

Those financial statements, and the Summary Financial Statements, do not reflect the effects of the events that have occurred subsequent to the date of our report on those financial statements.



**KPMG**  
**Chartered Accountants, Statutory Audit Firm**

1 Stokes Place  
St. Stephen's Green  
Dublin 2  
26 March 2015

# 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 8 December 2006 (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 56 to 59 of the An Post Statutory Accounts 2014 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 Profit and Loss statements are consistent with Irish GAAP as applied in the An Post Statutory Accounts.

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

## Basis of Preparation of Summary Regulatory Financial Statements

The Summary Regulatory Financial Statements are an extract from the 2014 Regulatory Financial Statements. They have been prepared for publication in line with Section 31 of the Communications Regulation (Postal Services) Act 2011 ('the Act'). The form and content of these Summary Regulatory Financial Statements have been agreed with ComReg and include:

- Profit and Loss Account for Universal Service and Mails Business Segment
- Profit and Loss Account for each Business Segment
- Summary Profit and Loss Account for Mails Business Segment
- Summary Profit and Loss Account for each Universal Service
- Notes to Summary Regulatory Financial Statements

## 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
- obtain ComReg's approval for each annual edition of the Accounting Manual in advance of the start of the relevant regulatory period

## 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.

# REGULATORY ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION CONT.

## General Principles

The Profit and Loss 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.

## Profit and Loss Statements

Revenue is made up of external turnover 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.

## 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.

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.

## 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.

### Disposal of property, plant and equipment

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

### Excluded items

Items below (Operating profit/loss – continuing operations) are excluded from the Regulatory Financial Statements. These items include:

- › Exceptional items as noted in the Statutory Accounts
- › Other Finance Income (net)
- › 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 fundamental error or a change in accounting policy, as is the case with the Statutory Financial Statements. No restatements were required for 2014 comparative figures.

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 fundamental error.

### Reconciliation to Statutory Accounts

As certain items are excluded from the Regulatory Financial Statements, a reconciliation of both Turnover 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 (FRS 17) 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.

## PROFIT AND LOSS ACCOUNT FOR UNIVERSAL SERVICE AND MAILS BUSINESS SEGMENT

	Year Ended 31 December 2014			Year Ended 31 December 2013		
	USO	Non USO	Total Mails	USO	Non USO	Total Mails
Volumes ('000s)	435,815	185,464	621,279	498,810	133,985	632,795
Turnover	€'000	€'000	€'000	€'000	€'000	€'000
Payroll Costs	364,682	173,609	538,291	375,984	148,632	524,616
Non Payroll Costs	293,808	113,348	407,156	320,345	94,461	414,806
Total Expenditure	109,102	48,994	158,096	111,186	47,213	158,399
Total Operating Profit/(Loss)	402,910	162,342	565,252	431,531	141,674	573,205
	<b>(38,228)</b>	<b>11,267</b>	<b>(26,961)</b>	<b>(55,547)</b>	<b>6,958</b>	<b>(48,589)</b>

Note – Volumes stated refer to addressed volumes.

## PROFIT AND LOSS ACCOUNT FOR EACH BUSINESS SEGMENT

	Notes	Mails		Retail		Subsidiaries & Other Activities		Inter-Segment Transactions		Adjustments between Regulatory & Statutory Financial Accounts		Group Operating Results – continuing operations (as per An Post's Statutory Financial Accounts)	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>													
External Revenue	1	522,700	508,357	166,797	169,240	131,861	131,496	–	–	–	–	820,558	811,693
Inter-segment revenue		15,591	16,259	34,020	35,378	95,918	94,988	(145,529)	(146,625)	–	–	–	–
<b>Segment Turnover</b>		<b>538,291</b>	<b>524,616</b>	<b>200,817</b>	<b>204,618</b>	<b>227,779</b>	<b>226,484</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Expenditure</b>													
<b>Operating Costs:</b>													
External costs	2	468,668	475,456	145,673	148,229	201,530	201,349	–	–	(1,200)	(1,878)	814,671	823,156
Inter-segment costs		89,601	91,000	35,593	35,362	11,114	11,343	(136,308)	(137,705)	–	–	–	–
Corporate Overheads		6,983	6,749	2,238	2,171	–	–	(9,221)	(8,920)	–	–	–	–
<b>Total Expenditure</b>		<b>565,252</b>	<b>573,205</b>	<b>183,504</b>	<b>185,762</b>	<b>212,644</b>	<b>212,692</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net Segment Operating Profit/(Loss)</b>	<b>3</b>	<b>(26,961)</b>	<b>(48,589)</b>	<b>17,313</b>	<b>18,856</b>	<b>15,135</b>	<b>13,792</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>4,478</b>	<b>5,887</b>	<b>(11,463)</b>

**BALANCE SHEET FOR EACH BUSINESS SEGMENT**

	Notes	Mails		Other and Excluded Items		Consolidation Adjustments		Group Balance Sheet (as per An Post's Statutory Financial Accounts)	
		2014	2013	2014	2013	2014	2013	2014	2013
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Statement of Net Assets</b>									
Fixed Assets	4	229,675	240,651	42,232	39,718	–	–	271,907	280,369
Debtors	5	11,729	20,871	147,486	163,843	(50,095)	(83,157)	109,120	101,557
Cash		–	–	55,571	63,913	–	–	55,571	63,913
Creditor (<1 year)	6	(80,536)	(86,325)	(125,974)	(164,508)	50,095	83,157	(156,415)	(167,676)
<b>Net Current (Liabilities)/Assets</b>		<b>(68,807)</b>	<b>(65,454)</b>	<b>77,083</b>	<b>63,248</b>	–	–	<b>8,276</b>	<b>(2,206)</b>
Creditors (>1 year)	7	(17,698)	(3,258)	(6,600)	(3,003)	–	–	(24,298)	(6,261)
Provisions for Charges		–	–	(38,511)	(47,650)	–	–	(38,511)	(47,650)
Pension Liability		–	–	(440,461)	(229,206)	–	–	(440,461)	(229,206)
<b>Net Assets</b>		<b>143,170</b>	<b>171,939</b>	<b>(366,257)</b>	<b>(176,893)</b>	–	–	<b>(223,087)</b>	<b>(4,954)</b>
<b>Reconciliation to Capital and Reserves</b>									
Called-up Share Capital		–	–	<b>68,239</b>	<b>68,239</b>	–	–	68,239	68,239
Capital Conservation Reserve		–	–	<b>877</b>	<b>877</b>	–	–	877	877
Profit & Loss Account & Minority Interest		–	–	<b>(292,203)</b>	<b>(74,070)</b>	–	–	<b>(292,203)</b>	<b>(74,070)</b>
<b>Shareholders Deficit</b>		–	–	<b>(223,087)</b>	<b>(4,954)</b>	–	–	<b>(223,087)</b>	<b>(4,954)</b>

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT – USO

All Geographical Segments	Universal Services												Note 1 – Other USO Services		Total USO			
	Letters		Flats		Packets		Parcels		Registered		2014		2013		2014		2013	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Volume ('000s)	376,477	438,685	33,277	33,633	18,026	19,019	1,225	1,204	6,810	6,269	–	–	–	–	435,815	498,810	€'000	€'000
Turnover	75,282	90,992	7,414	6,860	19,732	19,358	15,441	13,648	25,047	22,111	3,706	3,513	146,622	156,482	216,384	217,741	€'000	€'000
Directly Attributable	134,262	134,665	35,412	35,129	41,077	42,579	–	–	5,633	5,368	–	–	–	–	363,006	374,223	€'000	€'000
Allocated using Sampling	209,544	225,657	42,826	41,989	60,809	61,937	15,441	13,648	30,680	27,479	3,706	3,513	146,622	156,482	216,384	217,741	€'000	€'000
Total Segment Revenue	209,544	225,657	42,826	41,989	60,809	61,937	15,441	13,648	30,680	27,479	3,706	3,513	146,622	156,482	216,384	217,741	€'000	€'000
Inter-segment revenue	192	183	–	–	–	–	–	–	1,481	1,574	3	4	1,676	1,761	–	–	€'000	€'000
Service Turnover	209,736	225,840	42,826	41,989	60,809	61,937	15,441	13,648	32,161	29,053	3,709	3,517	146,622	156,482	216,384	217,741	€'000	€'000
Total Direct Costs	23,927	29,114	5,354	4,055	9,503	8,948	3,410	1,808	18,489	18,282	1,466	1,490	62,149	63,697	–	–	€'000	€'000
Total Indirect Costs	152,732	173,424	23,711	24,613	33,875	36,841	6,930	6,776	13,701	12,078	28	39	230,977	253,771	–	–	€'000	€'000
Total Common Costs	69,413	75,680	10,384	9,682	14,929	14,847	3,541	3,552	11,179	9,875	338	427	109,784	114,063	–	–	€'000	€'000
Service Expenditure	246,072	278,218	39,449	38,350	58,307	60,636	13,881	12,136	43,369	40,235	1,832	1,956	402,910	431,531	–	–	€'000	€'000
Net Segment Profit/(Loss)	(36,336)	(52,378)	3,377	3,639	2,502	1,301	1,560	1,512	(11,208)	(11,182)	1,877	1,561	(38,228)	(55,547)	–	–	€'000	€'000

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

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

All Geographical Segments	Total Non USO		Mails Results	
	2014	2013	2014	2013
Volume ('000s)	185,464	133,985	621,279	632,795
Turnover	159,694	134,134	306,316	290,616
Directly Attributable	–	–	216,384	217,741
Allocated using Sampling	159,694	134,134	522,700	508,357
Total Segment Revenue	159,694	134,134	522,700	508,357
Inter-segment revenue	13,915	14,498	15,591	16,259
Service Turnover	173,609	148,632	538,291	524,616
Total Direct Costs	29,825	26,032	91,974	89,729
Total Indirect Costs	83,450	72,012	314,427	325,783
Total Common Costs	49,067	43,630	158,851	157,693
Service Expenditure	162,342	141,674	565,252	573,205
Net Segment Profit/(Loss)	11,267	6,958	(26,961)	(48,589)



## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

All Geographical Segments	Domestic		International Inbound		International Outbound		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	338,356	397,235	69,632	69,171	27,827	32,404	435,815	498,810
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>	107,788	122,944	3,356	3,392	35,478	30,146	146,622	156,482
Directly Attributable	132,372	129,205	57,157	57,856	26,855	30,680	216,384	217,741
Allocated using Sampling	240,160	252,149	60,513	61,248	62,333	60,826	363,006	374,223
<b>Total Segment Revenue</b>	1,676	1,761	—	—	—	—	1,676	1,761
Inter-segment revenue	241,836	253,910	60,513	61,248	62,333	60,826	364,682	375,984
<b>Service Turnover</b>	24,116	26,635	6,245	6,311	31,788	30,751	62,149	63,697
Total Direct Costs	165,141	186,351	47,845	48,096	17,991	19,324	230,977	253,771
Total Indirect Costs	73,642	79,421	21,222	20,263	14,920	14,379	109,784	114,063
Total Common Costs	262,899	292,407	75,312	74,670	64,699	64,454	402,910	431,531
<b>Service Expenditure</b>	(21,063)	(38,497)	(14,799)	(13,422)	(2,366)	(3,628)	(38,228)	(55,547)
<b>Net Segment Profit/(Loss)</b>								

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

Domestic segment	Letters		Flats		Packets		Parcels		Registered		Other USO Services (Note 2)		Total USO	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	311,413	370,735	18,158	17,274	5,137	5,615	507	503	3,141	3,108	—	—	338,356	397,235
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>	73,199	89,869	3,804	3,707	7,068	7,279	4,178	4,013	15,833	14,563	3,706	3,513	107,788	122,944
Directly Attributable	101,078	99,444	20,109	17,989	11,185	11,772	—	—	—	—	—	—	132,372	129,205
Allocated using Sampling	174,277	189,313	23,913	21,696	18,253	19,051	4,178	4,013	15,833	14,563	3,706	3,513	240,160	252,149
Inter-segment revenue	192	183	—	—	—	—	—	—	1,481	1,574	3	4	1,676	1,761
<b>Service Turnover</b>	174,469	189,496	23,913	21,696	18,253	19,051	4,178	4,013	17,314	16,137	3,709	3,517	241,836	253,910
Total Direct Costs	10,764	13,951	1,778	981	263	198	288	205	9,557	9,810	1,466	1,490	24,116	26,635
Total Indirect Costs	129,865	150,288	14,793	14,636	11,549	12,799	1,811	1,847	7,095	6,742	28	39	165,141	186,351
Total Common Costs	56,460	62,909	6,010	5,359	4,226	4,379	808	923	5,800	5,424	338	427	73,642	79,421
<b>Service Expenditure</b>	197,089	227,148	22,581	20,976	16,038	17,376	2,907	2,975	22,452	21,976	1,832	1,956	262,899	292,407
<b>Net Segment Profit/(Loss)</b>	(22,620)	(37,652)	1,332	720	2,215	1,675	1,271	1,038	(5,138)	(5,839)	1,877	1,561	(21,063)	(38,497)

Note 1 – Free postal service for blind and partially sighted persons, Sending books abroad etc. are included under the appropriate category (i.e. letter, flats, packets) above.  
 Note 2 – Other Services include Redirections, MailMinder & PO Boxes.

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

Domestic segment	Total Non USO		Total Domestic Segment	
	2014	2013	2014	2013
Volume ('000s)	181,145	128,599	519,501	525,834
Turnover	€'000	€'000	€'000	€'000
Directly Attributable	140,424	112,189	248,212	235,133
Allocated using Sampling	–	–	132,372	129,205
<b>Total Segment Revenue</b>	<b>140,424</b>	<b>112,189</b>	<b>380,584</b>	<b>364,338</b>
Inter-segment revenue	13,915	14,498	15,591	16,259
<b>Service Turnover</b>	<b>154,339</b>	<b>126,687</b>	<b>396,175</b>	<b>380,597</b>
Total Direct Costs	22,719	17,608	46,835	44,243
Total Indirect Costs	75,938	63,145	241,079	249,496
Total Common Costs	44,609	37,827	118,251	117,248
<b>Service Expenditure</b>	<b>143,266</b>	<b>118,580</b>	<b>406,165</b>	<b>410,987</b>
<b>Net Segment Profit/(Loss)</b>	<b>11,073</b>	<b>8,107</b>	<b>(9,990)</b>	<b>(30,390)</b>

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

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

International (inbound) segment	Universal Services						Total USO			
	Letters		Flats		Packets		Registered		Total USO	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Volume ('000s)	46,199	44,825	10,964	11,835	9,285	9,770	555	586	2,629	2,155
Turnover	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	–	–	–	–	–	–	3,356	3,392	–	–
Allocated using Sampling	18,946	17,760	11,057	12,245	21,521	22,483	–	–	5,633	5,368
<b>Total Segment Revenue</b>	<b>18,946</b>	<b>17,760</b>	<b>11,057</b>	<b>12,245</b>	<b>21,521</b>	<b>22,483</b>	<b>3,356</b>	<b>3,392</b>	<b>5,633</b>	<b>5,368</b>
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
<b>Service Turnover</b>	<b>18,946</b>	<b>17,760</b>	<b>11,057</b>	<b>12,245</b>	<b>21,521</b>	<b>22,483</b>	<b>3,356</b>	<b>3,392</b>	<b>5,633</b>	<b>5,368</b>
Total Direct Costs	1,362	2,456	965	545	160	33	39	35	3,719	3,242
Total Indirect Costs	18,781	18,381	7,016	7,706	15,339	16,213	1,579	1,762	5,130	4,034
Total Common Costs	8,194	7,887	3,022	2,981	5,890	5,838	741	934	3,375	2,623
<b>Service Expenditure</b>	<b>28,337</b>	<b>28,724</b>	<b>11,003</b>	<b>11,232</b>	<b>21,389</b>	<b>22,084</b>	<b>2,359</b>	<b>2,731</b>	<b>12,224</b>	<b>9,899</b>
<b>Net Segment Profit/(Loss)</b>	<b>(9,391)</b>	<b>(10,964)</b>	<b>54</b>	<b>1,013</b>	<b>132</b>	<b>399</b>	<b>997</b>	<b>661</b>	<b>(6,591)</b>	<b>(4,531)</b>

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

International (Inbound) segment	Total Non USO		Total International (Inbound) Segment	
	2014	2013	2014	2013
Volume ('000s)	101	93	69,733	69,264
Turnover				
Directly Attributable			€'000	€'000
Allocated using Sampling	1,064	841	4,420	4,233
<b>Total Segment Revenue</b>	<b>1,064</b>	<b>841</b>	<b>61,577</b>	<b>62,089</b>
Inter-segment revenue	–	–	–	–
<b>Service Turnover</b>	<b>1,064</b>	<b>841</b>	<b>61,577</b>	<b>62,089</b>
Total Direct Costs	167	24	6,412	6,335
Total Indirect Costs	274	268	48,119	48,364
Total Common Costs	186	154	21,408	20,417
<b>Service Expenditure</b>	<b>627</b>	<b>446</b>	<b>75,939</b>	<b>75,116</b>
<b>Net Segment Profit/(Loss)</b>	<b>437</b>	<b>395</b>	<b>(14,362)</b>	<b>(13,027)</b>

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

International (Outbound) segment	Universal Services														
	Letters			Flats			Packets			Parcels			Registered		
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Volume ('000s)	18,865	23,125	4,155	4,524	3,604	3,634	163	115	–	1,040	1,006	–	1,006	32,404	
Turnover															
Directly Attributable	2,083	1,123	3,610	3,153	12,664	12,079	7,907	6,243	9,214	9,214	7,548	–	7,548	30,146	
Allocated using Sampling	14,238	17,461	4,246	4,895	8,371	8,324	–	–	–	–	–	–	–	30,680	
<b>Total Segment Revenue</b>	<b>16,321</b>	<b>18,584</b>	<b>7,856</b>	<b>8,048</b>	<b>21,035</b>	<b>20,403</b>	<b>7,907</b>	<b>6,243</b>	<b>9,214</b>	<b>9,214</b>	<b>7,548</b>	<b>–</b>	<b>7,548</b>	<b>60,826</b>	
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Service Turnover</b>	<b>16,321</b>	<b>18,584</b>	<b>7,856</b>	<b>8,048</b>	<b>21,035</b>	<b>20,403</b>	<b>7,907</b>	<b>6,243</b>	<b>9,214</b>	<b>9,214</b>	<b>7,548</b>	<b>–</b>	<b>7,548</b>	<b>60,826</b>	
Total Direct Costs	11,801	12,707	2,611	2,529	9,080	8,717	3,083	1,568	5,213	5,213	5,230	–	5,230	30,751	
Total Indirect Costs	4,086	4,755	1,902	2,271	6,987	7,829	3,540	3,167	1,476	1,476	1,302	–	1,302	19,324	
Total Common Costs	4,759	4,884	1,352	1,342	4,813	4,630	1,992	1,695	2,004	2,004	1,828	–	1,828	14,379	
<b>Service Expenditure</b>	<b>20,646</b>	<b>22,346</b>	<b>5,865</b>	<b>6,142</b>	<b>20,880</b>	<b>21,176</b>	<b>8,615</b>	<b>6,430</b>	<b>8,693</b>	<b>8,693</b>	<b>8,360</b>	<b>–</b>	<b>8,360</b>	<b>64,454</b>	
<b>Net Segment Profit/(Loss)</b>	<b>(4,325)</b>	<b>(3,762)</b>	<b>1,991</b>	<b>1,906</b>	<b>155</b>	<b>(773)</b>	<b>(708)</b>	<b>(187)</b>	<b>521</b>	<b>521</b>	<b>(812)</b>	<b>–</b>	<b>(812)</b>	<b>(3,628)</b>	

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

## SUMMARY PROFIT AND LOSS ACCOUNT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

International (Outbound) segment	Total Non USO		Total International (Outbound) Segment	
	2014	2013	2014	2013
<b>Volume ('000s)</b>	4,218	5,293	32,045	37,697
<b>Turnover</b>	€'000	€'000	€'000	€'000
Directly Attributable	18,206	21,104	53,684	51,250
Allocated using Sampling	–	–	26,855	30,680
<b>Total Segment Revenue</b>	<b>18,206</b>	<b>21,104</b>	<b>80,539</b>	<b>81,930</b>
Inter-segment revenue	–	–	–	–
<b>Service Turnover</b>	<b>18,206</b>	<b>21,104</b>	<b>80,539</b>	<b>81,930</b>
Total Direct Costs	6,939	8,400	38,727	39,151
Total Indirect Costs	7,238	8,599	25,229	27,923
Total Common Costs	4,272	5,649	19,192	20,028
<b>Service Expenditure</b>	<b>18,449</b>	<b>22,648</b>	<b>83,148</b>	<b>87,102</b>
<b>Net Segment Profit/(Loss)</b>	<b>(243)</b>	<b>(1,544)</b>	<b>(2,609)</b>	<b>(5,172)</b>

Note 1 – Bulk Mail including IBMS Extra and IBMS DSA

## SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE – USO

Domestic Letter Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Freepost/Business Reply Mail		Total – Fully Paid	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	76,333	80,185	101	173	83,341	88,463	8,553	9,324	168,328	178,145
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>										
Directly Attributable	–	–	65	103	–	–	5,454	5,561	5,519	5,664
Allocated using Sampling	48,853	47,855	–	–	52,225	51,589	–	–	101,078	99,444
<b>Total Segment Revenue</b>	<b>48,853</b>	<b>47,855</b>	<b>65</b>	<b>103</b>	<b>52,225</b>	<b>51,589</b>	<b>5,454</b>	<b>5,561</b>	<b>106,597</b>	<b>105,108</b>
Inter-segment revenue	–	–	–	–	30	40	162	143	192	183
<b>Service Turnover</b>	<b>48,853</b>	<b>47,855</b>	<b>65</b>	<b>103</b>	<b>52,255</b>	<b>51,629</b>	<b>5,616</b>	<b>5,704</b>	<b>106,789</b>	<b>105,291</b>
Total Direct Costs	4,745	5,572	5	11	3,552	3,803	498	525	8,800	9,911
Total Indirect Costs	40,273	42,236	52	96	36,178	38,092	3,603	3,968	80,106	84,392
Total Common Costs	16,997	17,047	23	38	15,735	15,771	1,622	1,685	34,377	34,541
<b>Service Expenditure</b>	<b>62,015</b>	<b>64,855</b>	<b>80</b>	<b>145</b>	<b>55,465</b>	<b>57,666</b>	<b>5,723</b>	<b>6,178</b>	<b>123,283</b>	<b>128,844</b>
<b>Net Service Profit/(Loss)</b>	<b>(13,162)</b>	<b>(17,000)</b>	<b>(15)</b>	<b>(42)</b>	<b>(3,210)</b>	<b>(6,037)</b>	<b>(107)</b>	<b>(474)</b>	<b>(16,494)</b>	<b>(23,553)</b>

## SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

Domestic Letter Services continued	Deferred before noon >85% auto (Disc 6)		Pre-sort before 5.30pm (Disc 9)		Total USO Domestic Letter Services	
	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	142,443	191,860	642	730	311,413	370,735
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>						
Directly Attributable	67,357	83,864	323	341	73,199	89,869
Allocated using Sampling	–	–	–	–	101,078	99,444
<b>Total Segment Revenue</b>	<b>67,357</b>	<b>83,864</b>	<b>323</b>	<b>341</b>	<b>174,277</b>	<b>189,313</b>
Inter-segment revenue	–	–	–	–	192	183
<b>Service Turnover</b>	<b>67,357</b>	<b>83,864</b>	<b>323</b>	<b>341</b>	<b>174,469</b>	<b>189,496</b>
Total Direct Costs	1,963	4,039	1	1	10,764	13,951
Total Indirect Costs	49,663	65,775	96	121	129,865	150,288
Total Common Costs	22,044	28,323	39	45	56,460	62,909
<b>Service Expenditure</b>	<b>73,670</b>	<b>98,137</b>	<b>136</b>	<b>167</b>	<b>197,089</b>	<b>227,148</b>
<b>Net Service Profit/(Loss)</b>	<b>(6,313)</b>	<b>(14,273)</b>	<b>187</b>	<b>174</b>	<b>(22,620)</b>	<b>(37,652)</b>

## SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

Domestic Flats Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Freepost/Business Reply Mail		Total – Fully Paid	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	4,258	4,529	1,284	1,441	10,982	9,829	586	585	17,110	16,384
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>										
Directly Attributable	–	–	1,959	2,071	–	–	747	711	2,706	2,782
Allocated using Sampling	5,574	5,483	–	–	14,535	12,506	–	–	20,109	17,989
<b>Total Segment Revenue</b>	<b>5,574</b>	<b>5,483</b>	<b>1,959</b>	<b>2,071</b>	<b>14,535</b>	<b>12,506</b>	<b>747</b>	<b>711</b>	<b>22,815</b>	<b>20,771</b>
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
<b>Service Turnover</b>	<b>5,574</b>	<b>5,483</b>	<b>1,959</b>	<b>2,071</b>	<b>14,535</b>	<b>12,506</b>	<b>747</b>	<b>711</b>	<b>22,815</b>	<b>20,771</b>
Total Direct Costs	466	306	128	88	1,020	499	66	38	1,680	931
Total Indirect Costs	4,117	4,393	1,281	1,449	8,424	7,889	402	412	14,224	14,143
Total Common Costs	1,618	1,573	497	513	3,458	2,907	176	161	5,749	5,154
<b>Service Expenditure</b>	<b>6,201</b>	<b>6,272</b>	<b>1,906</b>	<b>2,050</b>	<b>12,902</b>	<b>11,295</b>	<b>644</b>	<b>611</b>	<b>21,653</b>	<b>20,228</b>
<b>Net Service Profit/(Loss)</b>	<b>(627)</b>	<b>(789)</b>	<b>53</b>	<b>21</b>	<b>1,633</b>	<b>1,211</b>	<b>103</b>	<b>100</b>	<b>1,162</b>	<b>543</b>

## SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

Domestic Flats Services continued	Deferred before noon >85% auto (Disc 6)		Pre-sort before 5.30pm (Disc 9)		Total USO Domestic Flats Services	
	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	1,044	866	4	24	18,158	17,274
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>						
Directly Attributable	1,090	891	8	34	3,804	3,707
Allocated using Sampling	–	–	–	–	20,109	17,989
<b>Total Segment Revenue</b>	<b>1,090</b>	<b>891</b>	<b>8</b>	<b>34</b>	<b>23,913</b>	<b>21,696</b>
Inter-segment revenue	–	–	–	–	–	–
<b>Service Turnover</b>	<b>1,090</b>	<b>891</b>	<b>8</b>	<b>34</b>	<b>23,913</b>	<b>21,696</b>
Total Direct Costs	98	50	–	–	1,778	981
Total Indirect Costs	567	469	2	24	14,793	14,636
Total Common Costs	260	196	1	9	6,010	5,359
<b>Service Expenditure</b>	<b>925</b>	<b>715</b>	<b>3</b>	<b>33</b>	<b>22,581</b>	<b>20,976</b>
<b>Net Service Profit/(Loss)</b>	<b>165</b>	<b>176</b>	<b>5</b>	<b>1</b>	<b>1,332</b>	<b>720</b>

### SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

Domestic Packet Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Freepost/Business Reply Mail		Total – Fully Paid	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Volume ('000s)	1,931	2,208	1,382	1,457	1,595	1,700	229	250	5,137	5,615
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	–	–	6,258	6,388	–	–	810	891	7,068	7,279
Directly Attributable	5,503	5,955	–	–	5,682	5,817	–	–	11,185	11,772
Allocated using Sampling	5,503	5,955	6,258	6,388	5,682	5,817	810	891	18,253	19,051
Total Segment Revenue	–	–	–	–	–	–	–	–	–	–
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Service Turnover	5,503	5,955	6,258	6,388	5,682	5,817	810	891	18,253	19,051
Total Direct Costs	118	97	69	51	65	41	11	9	263	198
Total Indirect Costs	4,416	5,035	3,460	3,626	3,243	3,646	430	492	11,549	12,799
Total Common Costs	1,617	1,727	1,242	1,222	1,205	1,257	162	173	4,226	4,379
Service Expenditure	6,151	6,859	4,771	4,899	4,513	4,944	603	674	16,038	17,376
Net Service Profit/(Loss)	(648)	(904)	1,487	1,489	1,169	873	207	217	2,215	1,675

### SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

International (Outbound) Letter Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Total Fully Paid		IBMS Standard		Total USO Letters	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Volume ('000s)	11,317	13,550	70	107	4,364	6,819	15,751	20,476	3,114	2,649	18,865	23,125
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	–	–	61	88	0	–	61	88	2,022	1,035	2,083	1,123
Directly Attributable	10,349	11,684	–	–	3,889	5,777	14,238	17,461	–	–	14,238	17,461
Allocated using Sampling	10,349	11,684	61	88	3,889	5,777	14,238	17,461	–	–	14,238	17,461
Total Segment Revenue	–	–	–	–	–	–	–	–	–	–	–	–
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Service Turnover	10,349	11,684	61	88	3,889	5,777	14,238	17,461	2,022	1,035	16,321	18,584
Total Direct Costs	713	7,850	34	53	2,882	3,976	10,029	11,879	1,772	828	11,801	12,707
Total Indirect Costs	3,116	3,561	17	35	737	1,038	3,870	4,634	216	121	4,086	4,755
Total Common Costs	3,064	3,193	15	24	1,085	1,403	4,164	4,620	595	264	4,759	4,884
Service Expenditure	13,293	14,604	66	112	4,704	6,417	18,063	21,133	2,583	1,213	20,646	22,346
Net Service Profit/(Loss)	(2,944)	(2,920)	(5)	(24)	(815)	(640)	(3,764)	(3,584)	(561)	(178)	(4,325)	(3,762)

## SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

International (Outbound) Flats Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Total Fully Paid		IBMS Standard		Total USO Flats	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	515	466	779	767	1,608	2,306	2,902	3,539	1,253	985	4,155	4,524
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>	–	–	2,186	2,078	–	–	2,186	2,078	1,424	1,075	3,610	3,153
Directly Attributable	1,197	981	–	–	3,049	3,914	4,246	4,895	–	–	4,246	4,895
Allocated using Sampling	1,197	981	2,186	2,078	3,049	3,914	6,432	6,973	1,424	1,075	7,856	8,048
<b>Total Segment Revenue</b>	–	–	–	–	–	–	–	–	–	–	–	–
Inter-segment revenue	1,197	981	2,186	2,078	3,049	3,914	6,432	6,973	1,424	1,075	7,856	8,048
<b>Service Turnover</b>	476	321	518	445	1,181	1,415	2,175	2,181	436	348	2,611	2,529
Total Direct Costs	391	374	645	688	681	1,003	1,717	2,065	185	206	1,902	2,271
Total Indirect Costs	260	194	349	316	558	677	1,167	1,187	185	155	1,352	1,342
Total Common Costs	1,127	889	1,512	1,449	2,420	3,095	5,059	5,433	806	709	5,865	6,142
<b>Service Expenditure</b>	70	92	674	629	629	819	1,373	1,540	618	366	1,991	1,906
<b>Net Service Profit/(Loss)</b>												

## SUMMARY PROFIT AND LOSS ACCOUNT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

International (Outbound) Packets Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Total Fully Paid		IBMS Standard		Total USO Packets	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Volume ('000s)</b>	1,335	1,394	1,417	1,449	292	368	3,044	3,211	560	423	3,604	3,634
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>	–	–	11,042	10,773	–	–	11,042	10,773	1,622	1,306	12,664	12,079
Directly Attributable	6,842	6,650	–	–	1,529	1,674	8,371	8,324	–	–	8,371	8,324
Allocated using Sampling	6,842	6,650	11,042	10,773	1,529	1,674	19,413	19,097	1,622	1,306	21,035	20,403
<b>Total Segment Revenue</b>	–	–	–	–	–	–	–	–	–	–	–	–
Inter-segment revenue	6,842	6,650	11,042	10,773	1,529	1,674	19,413	19,097	1,622	1,306	21,035	20,403
<b>Service Turnover</b>	3,262	3,303	3,531	3,573	768	817	7,561	7,693	1,519	1,024	9,080	8,717
Total Direct Costs	2,687	3,032	3,341	3,681	461	660	6,489	7,373	498	456	6,987	7,829
Total Indirect Costs	1,783	1,773	2,058	2,030	368	413	4,209	4,216	604	414	4,813	4,630
Total Common Costs	7,732	8,108	8,930	9,284	1,597	1,890	18,259	19,282	2,621	1,894	20,880	21,176
<b>Service Expenditure</b>	(890)	(1,458)	2,112	1,489	(68)	(216)	1,154	(185)	(999)	(588)	155	(773)
<b>Net Service Profit/(Loss)</b>												



# NOTES TO THE SUMMARY REGULATORY FINANCIAL STATEMENTS

## 1. Reconciliation of Turnover to the Statutory Accounts

	2014 €m	2013 €m
Mails USO	364.7	376.0
Mails Non USO	173.6	148.6
Consolidation Adjustments	(15.6)	(16.2)
Regulatory Accounts Adjustments*	(0.8)	2.6
<b>Postage: Letters &amp; Parcels</b>	<b>521.9</b>	<b>511.0</b>
Retail	166.8	169.2
Interest Income & Other Services	131.9	131.5
<b>Turnover Per Statutory Accounts</b>	<b>820.6</b>	<b>811.7</b>
*Regulatory Accounts Adjustments		
Stamp Retailing Commission etc.	(0.9)	(0.8)
Terminal Dues	0.1	3.4
Prior year items	–	–
	<b>(0.8)</b>	<b>2.6</b>

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

	2014 €m	2013 €m
Mails USO Per Regulatory Accounts	402.9	431.5
Mails Non USO	162.3	141.7
Regulatory Accounts Adjustments*	(1.2)	(1.8)
Retail	145.7	148.2
Corporate/Subsidiaries etc.	105.0	103.5
<b>Operating Costs Per Statutory Accounts</b>	<b>814.7</b>	<b>823.1</b>
*Regulatory Accounts Adjustments		
College House Provision	(0.3)	(1.0)
Stamp Retailing Commission etc.	(0.9)	(0.8)
Terminal Dues	–	(0.1)
Other Retrospective Payments & Provisions	–	0.1
	<b>(1.2)</b>	<b>(1.8)</b>

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

	2014 €m	2013 €m
Mails USO Per Regulatory Accounts	(38.2)	(55.5)
Mails Non USO	11.3	6.9
Retail	17.3	18.8
Regulatory Accounts Adjustments*	0.4	4.4
Corporate/Subsidiaries etc	15.1	13.9
<b>Operating Profit/(Loss) – Continuing Operations</b>	<b>5.9</b>	<b>(11.5)</b>
*Regulatory Accounts Adjustments		
Revenue	0.8	(2.6)
Expenditure	(1.2)	(1.8)
	<b>(0.4)</b>	<b>(4.4)</b>

### 4. Fixed Assets

	Land & Buildings €m	Motor Vehicles €m	Computer & Other Equipment €m	Total €m
Net Book Values as at 31/12/2013	193.0	0.9	46.8	240.7
Additions/Disposals/Other	3.4	–	19.1	22.5
Depreciation	(5.9)	(0.8)	(26.9)	(33.6)
Net Book Values as at 31/12/2014	<b>190.5</b>	<b>0.1</b>	<b>39.0</b>	<b>229.6</b>

### 5. Debtors

	2014 €m	2013 €m
Trade Debtors	3.3	18.1
Inter Group Debtors	0.2	0.3
Prepayments & Accrued Income	8.2	2.5
	<b>11.7</b>	<b>20.9</b>

# NOTES TO THE SUMMARY REGULATORY FINANCIAL STATEMENTS CONT.

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

	2014 €m	2013 €m
Trade Creditors	7.2	9.0
Inter Group & Other Creditors	7.5	11.9
Taxation and Social Welfare	8.7	9.5
Accruals	43.4	43.9
Finance Lease – Short Term	1.9	–
Deferred Income – Capital Grants	0.1	0.1
Deferred Postage Income	11.7	11.9
	<b>80.5</b>	<b>86.3</b>

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

	2014 €m	2013 €m
Finance Lease – Long Term	14.5	–
Deferred Income – Capital Grants	3.2	3.3
	<b>17.7</b>	<b>3.3</b>

# SUPPLEMENTARY INFORMATION – VOLUMES (UNAUDITED)

	Total	
	2014 m	2013 m
Operational Volume		
<b>Total</b>	<b>614.0</b>	<b>659.6</b>
Revenue-derived volumes		
<b>Total</b>	<b>601.4</b>	<b>621.0</b>
<b>Difference</b>	<b>12.6</b>	<b>38.6</b>

Note: Excludes Parcels and Courier, Express Post, Publicity Post, Passport Express, Registered & IBMS

#### Differences between Revenue Derived and Operational Volumes occur for a number of reasons:

- Sampling is undertaken to an accuracy of +/- 1%
- Estimation is required in operational volume counting, typically by the use of “Standard fill” assumptions

An Post expects the introduction of edocketing together with the installation of state of the art mail sorting equipment to continue to assist in the operational volume counting process.

# 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 of 12 years 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.

Pursuant to Section 16(1)(a) of the Act 2011 and on foot of An Post's application, four separate decisions were made by ComReg in 2014 to grant An Post certain derogations from 1 January 2015 in respect of the above. In respect of each of the four working days set out below, ComReg has granted derogations from the USO:

- A part derogation from the USO shall apply for Good Friday,
- Derogation from the USO for Mondays following a public holiday which falls on a Saturday or Sunday,
- Derogation from the USO for 24 December (Christmas Eve – derogation for Collections only), and
- Derogation from the USO for first working day after 26 December (St. Stephen's Day).

Details of these decisions and conditions attached to the above derogations are available from ComReg document 14/135 at [www.comreg.ie](http://www.comreg.ie).

The following USO 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 (or in the absence of this 20kg). ComReg has decided not to use its power to change the maximum weight limit of 20kg but will keep this under review;
- (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.ie](http://www.anpost.ie).

### Access to Universal Services

An Post provides access to its services through its network of 52 Company Post Offices and 1,088 Contract Post Offices. In addition, some 1,127 retail premises are licensed to sell postage stamps, as active licensed agents. To facilitate physical access to the service, approximately 5,700 post boxes are distributed widely throughout the State. There are 43 designated acceptance points for bulk mail services.

### Tariffs

The following is a summary of the prices for standard services weighing up to 100g which were applicable since 21 July 2014.

Ireland & NI	Standard Post	Registered Post*
Letters (up to C5)	68c 66c if item bears a franking impression	€6.00
Large Envelopes	€1.20 €1.15 if item bears a franking impression	€6.00
Packets	€2.70 €2.60 if item bears a franking impression	€6.00
Parcels	€7.00	€11.00

\*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 and up to a limit of €2,000 for €5 based on declared value at time of posting.

International Destinations	Standard Post	Registered Post*
Letters (up to C5)	€1.00	€6.00
Large Envelopes	€1.95	€6.95
Packets	€3.80	€8.80
Parcels		
GB (Great Britain)	GB €20.50	GB €25.50
ROW (Rest of World)	ROW €25.50	ROW €30.50

\*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.ie](http://www.anpost.ie)).

Under Section 30 of the Act, where ComReg is of the opinion that there is no effective competition in the market for the supply of certain services, it shall make a decision specifying a price cap in respect of these services. ComReg issued a consultation on the introduction of a Price Cap Mechanism and its decision was published on 18 June 2014, (ComReg document 14/59 on [www.comreg.ie](http://www.comreg.ie)). This established a five year price cap (2014–2018).

## 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.

## 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 2014. The total continues to represent a minute fraction of the entire mail traffic handled during the year.

Written complaints received from customers	
Items lost or substantially delayed	18,214
Items damaged	1,140
Items arriving late	319
Mail collection or delivery:	
Time of delivery	–
Failure to make daily delivery to home or premises	71
Collection times/Collection failures	2
Misdelivery	394
Access to customer service information	10
Underpaid mail	119
Tariffs for single piece mail/discount schemes and conditions	5
Change of address (Redirections)	398
Behaviour and competence of postal personnel	48
How complaints are treated	1
Other (not included in above)	1,569
Total	22,290*

\*This represents 0.0036% of total mail handled in the year.

Included in the total figure are complaints about Registered items, which number 5,326.

In 2014, there were 534,354 telephone calls made to An Post Customer Services. Most of these were routine or general enquiries rather than complaints.

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 Complaints 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.

A Customer Charter containing specific pledges to customers regarding our services is also available on our website.

## Further Information

Additional information in relation to services provided by An Post is available by phoning An Post Customer Services on CallSave 1850 57 58 59, by email at [customer.services@anpost.ie](mailto:customer.services@anpost.ie), by visiting [www.anpost.ie](http://www.anpost.ie), or by calling into any Post Office.

# GLOSSARY AND EXPLANATION OF TERMS

## 2014

Year ending 31 December 2014

## 2013

Year ending 31 December 2013

## Account traffic

Account traffic is the volume of mail associated with customers who pay for postal services on account.

## Accounting Manual

The An Post Accounting Manual for the Accounting period commencing 1 January 2014.

## 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.

## Bulk Mail

Bulk mail is mail presented at mails centres meeting qualifying criteria of the service.

## 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 as document 06/63 for accounting periods commencing 1 January 2007).

## 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.

## Irish GAAP

Irish Generally Accepted Accounting Practice

## Mail Stream Characteristics

The payment method and format of mail items.

## 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.ie](http://www.anpost.ie)

## Regulatory Financial Statements (Regulatory Accounts)

The statements, accounts and reports which specifically refer to the year ended 31 December 2014.

## Revenue Derived Traffic

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

## 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

## USP

Universal Service Provider

## USO

Universal Service Obligation

## Volumes

Volumes refer to addressed mail.

**An Post**  
General Post Office  
O'Connell Street  
Dublin 1  
Ireland

