

REGISTERED NUMBER: 00073975 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2018
for
EXEL LIMITED**



EXEL LIMITED (REGISTERED NUMBER: 00073975)

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for the Year Ended 31 December 2018**

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EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Company Information
for the Year Ended 31 December 2018**

DIRECTORS:

S Fink
H Hanche
T Kühl
J Nava
J Smith
M Trimm

REGISTERED OFFICE:

Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

REGISTERED NUMBER:

00073975 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Exchange House
Central Business Exchange
Midsummer Boulevard
Milton Keynes
MK9 2DF

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Strategic Report
for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

During the year under review the company continued to be an investment holding company in the Deutsche Post DHL Group and provider of loan finance to fellow UK subsidiaries. Interest income is generated by the company on these loans (see note 5).

In the opinion of the directors the annexed financial statements give a fair review of the development of the business during the year and of its position at the end of the year.

	2018 £'000	2017 £'000
Profit/(loss) for the financial year	74,576	(21,345)
Net assets	<u>571,907</u>	<u>497,331</u>


The profit for the financial year is primarily the result of the dividend income from subsidiary undertakings.

Following the United Kingdom's vote on 23 June 2016 to leave the European Union, and the triggering of Article 50 of the Lisbon Treaty on 29 March 2017, DHL is working with trade associations and others to understand the potential implications for business. Measures that may be required as a consequence of such shall be managed as part of our overall, standard risk planning.

Given the straight forward nature of the business, the directors consider that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The directors are satisfied with the position of the company at the year end and continue to monitor performance.

ON BEHALF OF THE BOARD:


.....
S Fink - Director

Date: 26 June 2019

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors
for the Year Ended 31 December 2018**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2018.

FUTURE DEVELOPMENTS

The existing activity of the business is expected to continue in future.

GOING CONCERN

The company and its major UK subsidiaries are expected to continue to generate positive cash flows on their own account for the foreseeable future.

The company also participates in the Deutsche Post DHL Group's centralised treasury arrangements and so shares banking arrangements with its parent and other group undertakings. The directors, having assessed the responses of the officers of the company's ultimate parent Deutsche Post AG to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Deutsche Post DHL Group to continue as a going concern or its ability to continue with the current banking arrangements.

The company has received a letter of support from Deutsche Post AG, the ultimate parent undertaking and therefore, the directors, based on their enquiries, have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

FINANCIAL RISK MANAGEMENT

The company's operations are totally related to the activities of the Deutsche Post DHL Group of companies. As such its management of financial risk is dependent on the policies and risk management strategies of the ultimate parent company, Deutsche Post AG. Risk management policies where appropriate are approved by the Board of Directors, are consistent with Deutsche Post DHL Group financial risk policies, and implemented by the company's finance department.

The company's operations expose it to a variety of financial risks that include the effects of liquidity and credit risk and interest rate cash flow risk. The company does not use derivative financial instruments.

Liquidity and credit risk

The company's debt profile is largely short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. A substantial part of the debt finance is provided by fellow subsidiary undertakings. Loans are made to fellow group undertakings. The net assets of these entities are reviewed on a regular basis and when appropriate an impairment provision is recognised.

Interest rate cash flow risk

The company has interest bearing liabilities. The company has a policy of generally borrowing from fellow subsidiary undertakings at market rates. The directors will review the appropriateness of this policy should the company's operations change significantly in size or nature, or the Deutsche Post DHL Group policies for financing group undertakings change.

DIVIDENDS

No dividends were distributed for the year ended 31 December 2018 (2017: £nil). The directors recommend that no final dividend be paid.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors – continued
for the Year Ended 31 December 2018**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

S Fink
H Hanche
J Smith
M Trimm

Other changes in directors holding office are as follows:

J Gill – resigned on 13 June 2018
T Kühl – appointed on 13 June 2018
P Dyer – resigned on 1 October 2018
J Nava – appointed on 1 October 2018

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. The company also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force.

SLAVERY ACT

The company is a member of the Deutsche Post DHL Group. A statement pursuant to Section 54(1) of the Modern Slavery Act 2015 can be found on the group's UK website using the following link www.logistics.dhl/gb-en/home/about-us/corporate-responsibility/modern-slavery-statement.html.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors – continued
for the Year Ended 31 December 2018**

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
S Fink - Director

Date: 26 June 2019

EXEL LIMITED (REGISTERED NUMBER: 00073975)

Independent auditors' report to the members of Exel Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Exel Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Exel Limited - continued

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - CONTINUED

Reporting on other information - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

Independent auditors' report to the members of Exel Limited - continued

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT - CONTINUED

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

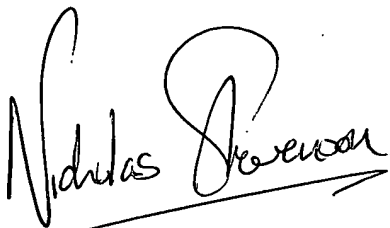
OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Nicholas Stevenson', with a long horizontal stroke extending to the right.

Nicholas Stevenson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
26 June 2019

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Statement of Comprehensive Income
for the Year Ended 31 December 2018**

	Note	2018 £'000	2017 £'000
Other interest receivable and similar income	5	10,940	9,770
Interest payable and similar charges	6	(11,050)	(10,266)
Income from shares in group undertakings		75,000	-
Other operating income		-	6
Other operating charges		(21)	(21)
OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	7	74,869	(511)
Tax on profit/(loss) on ordinary activities	8	(293)	(20,834)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>74,576</u>	<u>(21,345)</u>

There are no items of other comprehensive income other than the profit/(loss) for the financial year (2017: £nil).

CONTINUING OPERATIONS

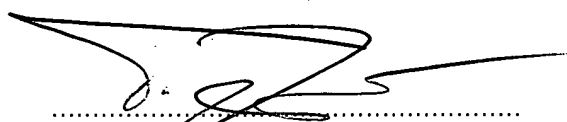
All results relate to continuing operations.

The notes on pages 12 to 37 form part of these financial statements.

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Balance sheet
as at 31 December 2018**

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	9	<u>584,312</u>	<u>584,312</u>
CURRENT ASSETS			
Debtors	10	858,425	784,069
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(848,483)</u>	<u>(855,416)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>9,942</u>	<u>(71,347)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		594,254	512,965
PROVISIONS FOR LIABILITIES	12	<u>(22,347)</u>	<u>(15,634)</u>
NET ASSETS		<u>571,907</u>	<u>497,331</u>
CAPITAL AND RESERVES			
Called up share capital	14	85,345	85,345
Share premium account		179,374	179,374
Capital redemption reserve		105,972	105,972
Retained earnings		<u>201,216</u>	<u>126,640</u>
EQUITY		<u>571,907</u>	<u>497,331</u>

The financial statements on pages 9 to 37 were approved by the Board of Directors on 26 June 2019 and signed on its behalf by:



.....
T Kühl - Director

The notes on pages 12 to 37 form part of these financial statements.

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Statement of Changes in Equity
for the Year Ended 31 December 2018**

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2017	85,345	179,374	105,972	147,985	518,676
Changes in equity					
Loss for the financial year	-	-	-	(21,345)	(21,345)
Balance at 31 December 2017	85,345	179,374	105,972	126,640	497,331
Changes in equity					
Profit for the financial year	-	-	-	74,576	74,576
Balance at 31 December 2018	85,345	179,374	105,972	201,216	571,907

The share premium account represents the premium amount, over and above the nominal value, on any shares issued in prior periods.

The capital redemption reserve was created in 1998 following the company's issue of bonus redeemable B shares of 65 ¼ pence for each existing ordinary share of 25 pence held at that time. The redeemable B shares were redeemed in 2005.

Retained earnings represents accumulated comprehensive income/loss for the year and prior years.

The notes on pages 12 to 37 form part of these financial statements.

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

General information

Exel Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN.

Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and in accordance with the Companies Act 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparing the financial statements

The principal accounting policies adopted by the company are set out below and are consistent with those of the previous year.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company has received a letter of support from Deutsche Post AG, the ultimate parent undertaking and therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, these financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK accounting standards.

The company is a wholly-owned subsidiary of Deutsche Post AG, a company incorporated in Germany, and is included in the consolidated financial statements of Deutsche Post AG which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006. These financial statements are the company's separate financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1.12:

- the requirements of Section 7 statement of Cash Flows and paragraph 3.17(d) of FRS 102
- the requirements of Section 4.12(a)(iv) Statement of Financial Position FRS 102 paragraph for providing a reconciliation of the number of shares outstanding at the beginning and end of the period
- the requirements of Section 33.7 regarding the disclosure of key management personnel compensation in total
- the requirements of Section 11 paragraphs 11.39 to 11.48A regarding the disclosure of financial instruments

The company has also taken advantage of the exemption granted under Section 33.1A of FRS 102 from the disclosure of related party transactions with other wholly owned members of the group.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxation

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that resulted in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

The company has entered into an agreement regarding UK corporation tax payments and refunds with certain other entities resident in the UK which are wholly owned subsidiary undertakings of the Deutsche Post DHL Group (the "Tax Group"). As a result, the company has undertaken to discharge the UK corporation tax liabilities on behalf of the Tax Group, and benefit from any tax recoverable due to the members of the Tax Group. Accordingly, the company recognises the Tax Group's net UK corporation tax charge or credit in its statement of comprehensive income and the Tax Group's corporation tax liability or asset in its balance sheet.

Where deferred tax liabilities have arisen within the Tax Group a charge or credit is recognised in the company's statement of comprehensive income and an indemnification liability is recognised in its balance sheet. This policy was effective from 1 January 2017. The company does not recognise deferred tax assets arising within the Tax Group as the right to receive the benefit of their reversal only crystallises when recognised in current tax.

Foreign currencies

All transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling on the balance sheet date. Exchange differences arising on foreign currency transactions are included in the statement of comprehensive income.

The company's functional and presentation currency is the pound sterling.

Fixed asset investments

Fixed asset investments that are basic financial instruments as defined by FRS 102 are included in the balance sheet at cost less provision for any impairment in value. Investment carrying values are reviewed for impairment at the balance sheet date and periodically when there has been an indication of potential impairment. Fixed asset investments that do not meet the criteria for being defined as basic financial instruments are carried at fair value with any gain or loss taken to the statement of comprehensive income. Increases in fair value recognised through the statement of comprehensive income are subsequently transferred from retained earnings to a non-distributable revaluation reserve.

Dividend income

Dividend income is recognised when the right to receive payment is established.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Amounts owed by group undertakings

As a part of its normal activity, the company provides loan financing to members of the group. The loans are advanced on commercial terms, taking into account the borrower's status and financial position. The company periodically assesses the ability of the borrower to repay the loans, and provisions are made where necessary and recognised in other operating charges. If the borrower's financial position subsequently improves or the loan is repaid then any excess provision is released and recognised in other operating income. The loans are repayable on demand and for the purposes of FRS 102 are regarded as basic financial instruments.

Called up share capital

Ordinary shares are classified as equity.

Contingencies

Contingent liabilities arise as a result of past events when

- (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or
- (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The company makes an estimate of the recoverable value of amounts receivable from group undertakings by performing an annual impairment review based on the net assets of those group companies. See note 10 for the net carrying amount of the debtors.

Impairment of investments

The company holds investments in fellow group undertakings which are reviewed for impairment on a regular basis. The carrying value of the investments is compared to the net asset value and an impairment recognised in the statement of comprehensive income where appropriate. See note 9 for the net carrying amount of the investments.

The following is considered to be a critical accounting judgement:

Taxation

The company has entered into an agreement regarding UK corporation tax payments and refunds with certain other entities resident in the UK which are wholly owned subsidiary undertakings of the Deutsche Post DHL Group (the "Tax Group"). As a result, the company has undertaken to discharge the UK corporation tax liabilities on behalf of the Tax Group, and benefit from any tax recoverable due to the members of the Tax Group. Accordingly, the company recognises the Tax Group's net UK Corporation tax charge or credit in its statement of comprehensive income, and the Tax Group's corporation tax liability or asset in its balance sheet. The tax charge or credit may have a significant impact on the results of the company and the balance sheet position. See note 8 for further details on the tax charge.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4. STAFF COSTS

There were no staff costs for the year ended 31 December 2018 nor for the year ended 31 December 2017.

The company had no employees (2017: none).

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018 £'000	2017 £'000
Interest receivable from group undertakings	10,884	9,755
Other interest receivable	56	15
	<u>10,940</u>	<u>9,770</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £'000	2017 £'000
Interest payable to group undertakings	11,050	9,869
Other interest payable	-	397
	<u>11,050</u>	<u>10,266</u>

7. OPERATING PROFIT/(LOSS)

The fee payable for the audit of £29,000 (2017: £29,000) has been paid by another group undertaking.

Directors' emoluments

	2018 £'000	2017 £'000
Aggregate emoluments	1,036	1,042
Aggregate amounts (excluding shares) receivable under long-term incentive plans	28	274
Compensation for loss of office paid to former directors	273	586
Company contributions paid to money purchase pension schemes	64	61

Retirement benefits are accruing to three directors (2017: three directors) under defined benefit schemes, and to five directors (2017: four directors) under a money purchase scheme. Shares in the ultimate parent company, Deutsche Post AG, are accruing to six directors (2017: six directors) under long-term incentive plans. Four directors (2017: three directors) received shares in the ultimate parent company, Deutsche Post AG, during the year.

H Hanche receives no remuneration specifically relating to services for the company and is therefore not included in the directors' emoluments stated above.

Directors' emoluments are paid by subsidiary undertakings and are not recharged to the company.

Key management personnel include directors of the company and representatives of the ultimate parent company. The key management personnel receive no payment from the company with regard to these services.

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****7. OPERATING PROFIT/(LOSS) - continued****Highest paid director**

	2018	2017
	£'000	£'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	288	507
Defined benefit pension scheme:		
Accrued pension at the end of the year	82	79

The highest paid director exercised share options during the year and is accruing benefits under a long term incentive plan. The highest paid director had 7,910 shares (2017: 25,143 shares) in the ultimate parent company, Deutsche Post AG, receivable under long-term incentive plans.

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2018	2017
	£'000	£'000
Current tax		
Adjustments in respect of prior years	(6,420)	5,200
Total current tax	(6,420)	5,200
Deferred tax		
Adjustments in respect of prior years	2,374	(740)
Deferred tax liability borne for other group undertakings	6,713	15,634
Movement on UK deferred tax not recognised	(2,374)	740
Total deferred tax	6,713	15,634
Total tax on profit/(loss) on ordinary activities	293	20,834

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES - continued

Reconciliation of tax charge

The tax assessed for the year differs from (2017: differs from) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 £'000
Profit/(loss) on ordinary activities before taxation	<u>74,869</u>	<u>(511)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	14,225	(98)
Effects of:		
Income not subject to UK tax	(14,250)	-
Transfer pricing adjustments	(712)	(387)
Group relief surrendered to other group companies	737	271
Losses carried back	-	214
Movement on UK deferred tax not recognised	<u>(2,374)</u>	<u>740</u>
Tax (credit)/charge for the year	<u>(2,374)</u>	<u>740</u>
Deferred tax liability borne for other group undertakings	6,713	15,634
Adjustments in respect of prior years	<u>(4,046)</u>	<u>4,460</u>
Total tax on profit/(loss) on ordinary activities	<u>293</u>	<u>20,834</u>

Tax rate changes

The standard rate of corporation tax reduced from 20% to 19% on 1 April 2017. Finance Act 2016 further reduced the standard rate of corporation tax to 17% from 1 April 2020. Therefore, any deferred tax assets and liabilities reflect these rates.

Deferred tax

A summary of the company's deferred tax asset is as follows:

	2018 £'000 Unrecognised	2017 £'000 Unrecognised
Capital losses	<u>-</u>	<u>2,374</u>
Net deferred tax asset	<u>-</u>	<u>2,374</u>

Deferred tax is calculated at 19% (2017: 19%).

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 1 January 2018 and 31 December 2018	<u>584,312</u>
NET BOOK VALUE	
At 31 December 2018	<u>584,312</u>
At 31 December 2017	<u>584,312</u>

The following companies are the subsidiary undertakings and interests held directly and indirectly by the company. For the investments held directly by the company, unless otherwise stated, 100% of the ordinary share capital is owned, the subsidiaries operate in their country of incorporation, and have a 31 December year end:

Directly held investments

Company	Nature of business	Registered office address
Subsidiary undertakings		
DHL Exel Supply Chain Limited	Investment company	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Exel Investments Limited	Investment company	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Exel Overseas Limited	Investment company	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Ocean Overseas Holdings Limited	Investment company	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Interests		
Higgs International Limited (1% owned)	Freight forwarding	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments**

Company	% held through direct and indirect holding	Registered office address
Agencia de Aduanas DHL Global Forwarding (Colombia) S.A.	94%	Avenida Calle 26 No. 85B - 9, Bogota, Colombia
Bahwan Exel LLC	44%	PQ Box Hai Al Mina, Muscat, Oman
Circuit Logistics Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada
Compass Point (St Ives) Management Company Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Connect Logistics Services Inc	100%	c/o McLennan Ross LLP, 600 McLennan Ross Building, 12220 Stony Plain Road, Edmonton, AB T5N 3Y4 Canada
DHL Corporate Services SC Mexico	100%	Autopista Mexico- Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitán Izcalli, C.P. 54740, Mexico
DHL Distribution (Thailand) Limited	62.8%	76/1 M.6 Talingchan- Bangbuathong Rd., Bangrakpatana Bangbuathong, Nonthaburi 11110, Thailand

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Exel Logistics (Malaysia) Sdn. Bhd	49%	23B Jalan 52/1, Petaling Jaya Selangor, Malaysia
DHL Exel Slovakia s.r.o.	100%	Dialnicna 2, Senec, 90301, Slovakia
DHL Exel Supply Chain Portugal S.A.	100%	Estrada Nacional 10, Km 127,6 Lote 2, Lugar do Pardierio, Sobralinho 2615, Alvera Portugal
DHL GBS (UK) Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
DHL Global Forwarding (Angola) Comercio e Transitarios Limitada	100%	Avenida 4 De Fevereiro, N.23/24 Luanda, Angola
DHL Global Forwarding (Brazil) Logistics Ltda	39.2%	Rua Jacerú, no. 151, 3rd Floor, Vila Gertrudes, Sao Paulo, CEP: 04705-000, Brazil
DHL Global Forwarding (Kenya) Limited	100%	Simi Industrial Park, Mombasa Road, PO Box 27734 - 00506, Nairobi, Kenya
DHL Global Forwarding (Uganda) Limited	100%	137 Jinja Rd., KPS Yard, Banda-Kireka Stretch, Kampala, Uganda
DHL Global Forwarding Japan K.K.	100%	12F Riverside Sumida, 1-19-9 Tsutsumi-dori, Sumida-ku, Tokyo, 131-0034, Japan

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Global Forwarding Pakistan (Private) Limited	100%	187/E, Block 2, PECHS, Shahrah-e- Quaideen, Karachi 75400, Pakistan
DHL Global Match (UK) Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
DHL ISC (Hong Kong) Limited	100%	4/F EDGE, Nos 30-34 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong
DHL Logistics (Brazil) Ltda	39.2%	Rua Jacerú n. 151-1 e 2 andares, Brooklin, Sao Paulo / SP, 04705-000, Brazil
DHL Logistics (Cambodia) Limited	100%	Regency Complex A, No.298, 1st Floor, Unit 8A, Mao Tse Tung Blvd, Tumnup Toeuk quarter, Chamkar Mon District, Phnom Penh, Cambodia
DHL Logistics Ghana Limited	100%	PMB, Main Harbor Area, Tema, Ghana
DHL Logistics Kenya Limited	99%	George Williamson House, 5th Floor, 4th Ngong Avenue, PO Box 78609, 00507, Viwandani, Nairobi, Kenya

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Logistics Morocco S.A.	100%	179, Rue Ammar Riffi, Casablanca, Morocco
DHL Logistics Private Limited	51%	201A, Silver Utopia, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai 400059, India
DHL Logistics Tanzania Limited	100%	Plot 32/34 Nyerere Road, PO Box 6381, Dar es Salaam, United Republic of Tanzania
DHL Metropolitan Logistics SC Mexico S.A. de C.V.	100%	Autopista Mexico- Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitlán Izcalli, C.P. 54740, Mexico
DHL Oil & Gas (Angola) Limitada	49%	Avenida 4 De Fevereiro, N.23/24 Luanda, Angola
DHL Pensions Investment Fund Limited	74%	Howard House, 40-64 St Johns Street, Bedford, MK42 0DJ
DHL Properties (Malaysia) Sdn. Bhd.	70%	23B Room B, Jalan 52/1, 46210 Petaling Jaya, Selangor Darul Ehsan, Malaysia
DHL Real Estate (UK) Limited	100%	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EQ
DHL SCM K.K.	100%	4-7-35 Kita-Shinagawa, Shinagawa-ku, Tokyo, Japan

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Service Central SARL	100%	268 Avenue du President Wilson, 93216, SAINT-DENIS, France
DHL Services Limited	100%	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EQ
DHL Services Logistiques SAS	100%	268 Avenue du President Wilson, 93216, SAINT-DENIS, France
DHL Supply Chain (Argentina) S.A.	100%	Tucuman 1 piso 4, Buenos Aires, Argentina
DHL Supply Chain (Chile) S.A.	100%	Av del Valle sur #524, 502 Comuna Huechuraba, Santiago, Region Metropolitana, Chile
DHL Supply Chain (Hong Kong) Limited	0.1%	25/F, Goodman Interlink, 39 Tsing Yi Road, New Territories, Hong Kong
DHL Supply Chain (Ireland) Limited	100%	Arthur Cox, Arthur Cox, Building, Earlsfort Terrace, Dublin 2, Ireland
DHL Supply Chain (Korea) Limited	100%	Superior Tower 10F, Teheran-ro 528, Gangnam-gu, Seoul, Democratic People's Republic of Korea
DHL Supply Chain (Malaysia) Sdn. Bhd	100%	23B Jalan 52/1, Petaling Jaya Selangor, Malaysia

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Supply Chain (South Africa) (Pty) Limited	100%	Corner Barbara and North Reef Roads, Elandsfontain, Germiston, 1429, South Africa
DHL Supply Chain (Thailand) Limited	49%	No. 9 G Tower Grand Rama 9, 26th Floor, Unit GN01, Rama 9 Road, Huaykwag Sub-District, Huaykwag District, Bangkok, 10310, Thailand
DHL Supply Chain (Vietnam) Limited	100%	11th floor, e-town 2 Building, 364 Cong Hoa St., Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam
DHL Supply Chain (Vietnam) Transportation JSC	51%	Unit G.4A, Ground Floor, e-town Building, No. 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam
DHL Supply Chain Automotive Mexico S.A de C.V.	100%	Autopista Mexico- Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitlán Izcalli, C.P. 54740, Mexico
DHL Supply Chain India Private Limited	51%	702, 7th Floor, Tower B, 247 Park LBS Road, Above Home Town, Vikhroli (W), Mumbai 400083, India
DHL Supply Chain International Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Supply Chain K.K.	100%	4-7-35 Kita-Shinagawa, Shinagawa-ku, Tokyo, Japan
DHL Supply Chain Kenya Limited	100%	George Williamson House, 5th Floor, 4th Ngong Avenue, PO Box 78609, 00507, Viwandani, Nairobi, Kenya
DHL Supply Chain Limited	100%	Solstice House, 251 Midsummer, Boulevard, Central Milton Keynes, MK9 1EQ
DHL Supply Chain Management Philippines Inc	100%	Lot 4 Block Phase 7a, Laguna Technopark Inc, Binan, Laguna, Philippines
DHL Supply Chain Philippines Inc	100%	DHL Logistics Centre, Km. 17, West Service Road, South, Superhighway, Bicutan, Paranaque City, Philippines
DHL Transportes (Brazil) Ltda	100%	Rua Jacerú, no. 151, 2 andar Vila Gertrudes, Sao Paulo, CEP: 04705-000, Brazil
DHL Trustees Limited	74%	Howard House, 40-64 St Johns Street, Bedford, MK42 0DJ
Dimalsa Logistics Inc	100%	Building C, Royal Ind Park Z.C, 00962 Tacano, Puerto Rico

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Drakensberg Logistics (Pty) Limited	50%	Corobrik Rd, Meawdodale, Germiston, South Africa
DSC Healthcare Trustees Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
EC Logistica S.A.	51%	Av. Leandro N. Alem 693, 1.piso C1001 AAB, Ciudad Autonoma de Buenos, Buenos Aires, Argentina
Elder Dempster Limitada	100%	Avenida 4 De Fevereiro, N.23/24 Luanda, Angola
EV Logistics	50%	5111 272 nd Street, Langley, British Columbia, V3K 3C1, Canada
Exel Canada Limited	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada
Exel Contract Logistics (Nigeria) Limited	0.11%	PLOT 6, Cocoa Industrial Road, Ogba Industrial Estate, Lagos, Nigeria
Exel Contract Logistics (SA) (Pty) Limited	100%	Cnr Barbara and Northreef Roads, Elandsfontein, South Africa

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Exel France SA	100%	268 Avenue du President Wilson, 93216, SAINT-DENIS, France
Exel Holdings Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Exel International Holdings (Netherlands 1) B.V.	100%	Pierre de Coubertinweg 7N, 6225 XT Maastricht, The Netherlands
Exel International Holdings (Netherlands 2) B.V.	100%	Pierre de Coubertinweg 7N, 6225 XT Maastricht, The Netherlands
Exel Investments Netherlands B.V.	100%	Pierre de Coubertinweg 7N, 6225 XT Maastricht, The Netherlands
Exel Logistics (Zambia) Limited	100%	c/o Sharpe & Howard Legal Practitioners, Stand 8235 Nangwenya Road, P/Bag RW175X, Lusaka, Zambia
Exel Logistics Delbros Philippines Inc	60%	AC Delgado Bldg., Atlanta corner, 17th Streets, Port Area, Manila, Philippines
Exel Logistics do Nordeste Ltda	43.4%	Av. Henry Ford, 2000 Complexo Industrial Ford Nordeste, Camacari, Bahia, CEP: 42810-000, Brazil
Exel Logistics Property Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Exel Logistics Services Lanka (Private) Limited	100%	Setmil Maritime Centre, 8 th Floor, 256 Srimath, Ramamathan Mawatha, Colombo 15, Sri Lanka
Exel Saudia LLC	50%	PO Box 19, Al Khobar, 31952, Saudi Arabia
Exel Secretarial Services Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Exel Supply Chain Services (South Africa) (Pty) Limited	100%	PO Box 558, Kempton Park 1620, South Africa
Exel UK Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Fashionflow Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Freight Indemnity and Guarantee Company Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Gori Chile S.A	1%	Avda Santa Clara 301, Oficina 3803, Huechuraba, Santiago, Region Metropolitana, Chile
Harmony Logistics Canada Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Health Solutions Team Limited	50%	Ocean House, The Ring, Bracknell, Berkshire RG12 1AN
Hull Blyth (Angola) Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Hyperion Inmobiliaria S.A. de C.V.	100%	Autopista Mexico- Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitlán Izcalli, C.P. 54740, Mexico
Hyperion Properties Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Joint Retail Logistics Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Matrix Logistics Services Limited	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada
McGregor Cory Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
National Carriers Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
NFC International Holdings (Ireland) Limited	100%	Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Ocean Group Investments Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Olimpo Holding S.A.	31.3%	Rua Comendador Torlogo Dauntre, 74, Room 97 Cambui, Campinas, San Paulo CEP 13025-270 Brazil
Polar Transportes Rodovarios Ltda	31.3%	Eldorado Street – 950 – Km 05, Jardim Itatinga, Campinas, San Paulo CEP 13052-450 Brazil
Power Europe (Cannock) Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Power Europe (Doncaster) Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Power Europe Development Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Power Europe Development No. 3 Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Power Europe Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Power Europe Operating Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
PT. DHL Supply Chain Indonesia	90%	G'edung Perkantoran dan, Pergudangan Graha Intirub, Intirub Business Park Lt.I, Jl.Cililitan Besar, 454 RT.07 RW.011 Kel., Kebon Pala, Kec. Makasar, Jakarta Timur, Indonesia
Relay Logistics Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada
Rio Lopez Transportes Ltda	31.3%	Felisbelo Freire Street – 810, Ramos, Rio de Janeiro, CEP 21031-250, Brazil
Rosier Distribution Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Saturn Integrated Logistics Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada
Tafinor S.A.	100%	Calle Juan Carlos Gómez 1390, Montevideo, Uruguay
Tankfreight Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
TCL Supply Chain (Canada) Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7, Canada
Tibbett & Britten Applied Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Tibbett & Britten Egypt Limited	50%	57, El Giza St., Gamaa Tower, 10th Floor, Giza Governorate, Egypt
Tibbett & Britten Group Canada Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada
Tracker Logistics Inc	100%	c/o McLennan Ross LLP, 600 McLennan Ross Building, 12220 Stony Plain Road, Edmonton, AB T5N 3Y4 Canada
Tradeteam Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Trans Care Fashion SARL	100%	179, Rue Ammar Riffi, Casablanca, Morocco
Trucks and Child Safety Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****9. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Ukhozi Logistics (Pty) Limited	40%	10 Patrick Road, Jet Park, Boksburg 1459, South Africa
Unidocks Assessoria e Logistica de Materiais Ltda	39.2%	Av. Ceci, 1900, Tamboré, Barueri, Sao Paulo, CEP: 06460-120, Brazil
Zenith Logistics Inc	100%	c/o Fernandes Hearn LLP, Barristers and Solicitors, 155 University Avenue, Suite 700, Toronto, Ontario M5H 3B7 Canada

In the opinion of the directors, the value of the company's investments in subsidiary undertakings is not less than the amount included in the balance sheet.

10. DEBTORS

	Note	2018 £'000	2017 £'000
Amounts owed by group undertakings		856,369	781,959
Amounts owed by undertakings in which the entity has a participating interest	15	351	100
Corporation tax		1,705	2,010
		<u>858,425</u>	<u>784,069</u>

Amounts owed by group undertakings include unsecured interest bearing loans. The rate of interest applicable is LIBOR plus a margin of 60 basis points (0.60%).

Loans to other group undertakings are made on a one year rolling basis.

Amounts owed by group undertakings are unsecured and repayable on demand.

Amounts owed by undertakings in which the group has a participating interest include unsecured interest bearing loans. The rate of interest applicable is LIBOR plus a margin of 60 basis points (0.60%).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Amounts owed to group undertakings	848,099	854,624
Other creditors	384	396
Accruals and deferred income	<u>-</u>	<u>396</u>
	<u>848,483</u>	<u>855,416</u>

Amounts owed to group undertakings include unsecured interest bearing loans. The rate of interest applicable is LIBOR plus a margin of 45 basis points (0.45%).

Amounts owed to group undertakings are unsecured and repayable on demand.

12. PROVISIONS FOR LIABILITIES

	Indemnification liability £'000
At 1 January 2018	15,634
Charge to tax on profit on ordinary activities	<u>6,713</u>
At 31 December 2018	<u>22,347</u>

The company has recognised an indemnification liability at 31 December 2018 of £22,347,000 (2017: £15,634,000) in respect of deferred tax liabilities arising in other entities in the Tax Group.

13. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

**Financial assets that are debt instruments
measured at amortised cost**

	Notes	2018 £'000	2017 £'000
Amounts owed by group undertakings	10	856,369	781,959
Amounts owed by undertakings in which the entity has a participating interest	15	<u>351</u>	<u>100</u>
		<u>856,720</u>	<u>782,059</u>

Financial liabilities measured at amortised cost

	Notes	2018 £'000	2017 £'000
Amounts owed to group undertakings	11	848,099	854,624
Other creditors	11	<u>384</u>	<u>396</u>
		<u>848,483</u>	<u>855,020</u>

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****14. CALLED UP SHARE CAPITAL**

	2018	2017
	£'000	£'000
Allotted and fully paid		
307,243,675 (2017: 307,243,675) ordinary shares of 27		
7/9p each	<u>85,345</u>	<u>85,345</u>

There were no allotments during the year.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

15. RELATED PARTY TRANSACTIONS

The following transactions took place between related parties:

Related party	Nature of service	Income	Purchases	Balance at 31 December
		2018	2018	2018
		£'000	£'000	£'000
Health Solutions Team Limited	Loan funding	4	-	351

Related party	Nature of service	Income	Purchases	Balance at 31 December
		2017	2017	2017
		£'000	£'000	£'000
Health Solutions Team Limited	Loan funding	-	-	100

The related party loan funding relates to an unsecured interest bearing loan. The rate of interest applicable is LIBOR plus a margin of 60 basis points (0.60%).

16. CONTINGENT LIABILITIES

(a) The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the company.

(b) The company has guaranteed certain bank and other credit facilities of subsidiary undertakings and performance bonds amounting at the year end to £345,331 (2017: £335,058). These guarantees are typically for overdraft facilities, certain operating leases and customs and airline credit facilities.

(c) The company has issued letters of support to fellow group undertakings.

(d) For Value Added Tax (VAT) purposes, the company is grouped with other undertakings in a VAT group; under these arrangements the company has a joint and several liability for amounts owed by those undertakings to HM Revenue & Customs. The balance of VAT payable by the VAT group as at 31 December 2018 was £56,966,000 (2017: £70,294,000).

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

17. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Deutsche Post International BV. The company's ultimate parent undertaking and controlling party is Deutsche Post AG, a company incorporated in Germany. This is the only group of which the company is a member for which group financial statements are prepared. Copies of the financial statements of Deutsche Post AG can be obtained from Deutsche Post AG, Headquarters, Investor Relations, 53250 Bonn, Germany.