

REGISTERED NUMBER: 00073975 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2014
for
EXEL LIMITED**

TUESDAY



A4ANQM15

A22

30/06/2015

#2

COMPANIES HOUSE

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Contents of the Financial Statements
for the Year Ended 31 December 2014**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditors' Report	6
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10

EXEL LIMITED

**Company Information
for the Year Ended 31 December 2014**

DIRECTORS:

K Austin
H Hanche
J Smith
K Smith
P Watts
D Woolliscroft

SECRETARY:

J Li

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
Central Milton Keynes
MK9 2DF

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Strategic Report
for the Year Ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

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.

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.

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	<u>(3,474)</u>	<u>58,960</u>

Following a review of intercompany loans, the impairment provisions were reduced by £11,533,680, with a corresponding credit to other operating income of £11,868,220 and a charge to other operating charges of £334,540. The directors received a letter of support from the group parent company relating to the outstanding loan amount due from a group undertaking which had previously been provided against.

Income from loans to group undertakings reduced to £7,087,000 from £9,286,000, partly due to lower interest rates but also as a result of the repayments made by fellow UK subsidiaries.

No dividend income was received in 2014 (2013: £70,000,000) and no dividends were paid by the company (2013: £80,000,000).

During the year the company received a partial repayment of advances made to the Kings Cross Central Limited Partnership amounting to £10,822,144. The company retains a total interest in the development of £29,671,250 at 31 December 2014.

Since the year end the company has disposed of 7.5% of its original 13.5% investment in the unit trusts of the Kings Cross Central Property Trust, and received further partial repayment in the same proportion of advances made to the Kings Cross Central Limited Partnership.

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.

BY ORDER OF THE BOARD:



.....
J Li - Secretary

Date: 24 June 2015

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors
for the Year Ended 31 December 2014**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2014.

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 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 AG 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 risk and interest rate cash flow risk. The company does not use derivative financial instruments.

Liquidity 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.

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 AG policies for financing group undertakings change.

DIVIDENDS

No dividends were distributed for the year ended 31 December 2014. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2013 was £80,000,000.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors - continued
for the Year Ended 31 December 2014**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

K Austin
H Hanche
J Smith
D Woolliscroft

Other changes in directors holding office are as follows:

G Inglis - resigned on 30 June 2014
P Watts - appointed on 30 June 2014
K Smith - appointed on 15 August 2014
P Taylor - resigned on 15 August 2014

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. They 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 2014**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BY ORDER OF THE BOARD:


.....
J Li - Secretary

Date: 24 June 2015

Independent Auditors' Report to the Members of Exel Limited

Report on the financial statements

Our opinion

In our opinion, Exel Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Exel Limited's financial statements comprise:

- Balance Sheet as at 31 December 2014;
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Exel Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mike Robinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Milton Keynes

Date: 25 June 2015

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Profit and Loss Account
for the Year Ended 31 December 2014**

	Notes	2014 £'000	2013 £'000
Other operating income		11,868	-
Other operating charges		<u>(392)</u>	<u>(2,557)</u>
OPERATING PROFIT/ (LOSS)	3	11,476	(2,557)
Income from shares in group undertakings		-	70,000
Interest receivable and similar income	4	<u>7,159</u>	<u>9,286</u>
		18,635	76,729
Interest payable and similar charges	5	<u>(4,287)</u>	<u>(5,712)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,348	71,017
Tax on profit on ordinary activities	6	<u>(17,822)</u>	<u>(12,057)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(3,474)</u>	<u>58,960</u>

CONTINUING OPERATIONS

All results relate to continuing operations.

There is no material difference between the results stated above and their historical cost equivalents.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes on pages 10 to 17 form part of these financial statements

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Balance Sheet
31 December 2014**

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	8	<u>613,983</u>	<u>624,805</u>
CURRENT ASSETS			
Debtors	9	<u>481,504</u>	<u>487,380</u>
Cash at bank and in hand		<u>65</u>	<u>50</u>
		481,569	487,430
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(330,503)	(343,727)
NET CURRENT ASSETS		<u>151,066</u>	<u>143,703</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>765,049</u>	<u>768,508</u>
CAPITAL AND RESERVES			
Called up share capital	11	85,345	85,345
Share premium account	12	179,374	179,374
Capital redemption reserve	12	105,972	105,972
Profit and loss account	12	<u>394,358</u>	<u>397,817</u>
SHAREHOLDERS' FUNDS	13	<u>765,049</u>	<u>768,508</u>

The financial statements were approved by the Board of Directors on 24 June 2015 and were signed on its behalf by:



.....
D Woolliscroft - Director

The notes on pages 10 to 17 form part of these financial statements

1. 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.

These financial statements have been prepared on the going concern basis and 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.

Cash flow statement and related party disclosures

The group financial statements of Deutsche Post AG contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by FRS 1 (revised 1996) whereby it is not required to publish its own cash flow statement.

The company has taken advantage of the exemption granted by FRS 8 from disclosure of related party transactions with other wholly owned members of the Group.

Taxation

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 a 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 periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially 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 profit and loss account, and the Tax Group's corporation tax liability or asset in its balance sheet.

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 profit and loss account.

Dividend income

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

Fixed asset investments

Fixed asset investments are included in the balance sheet at cost less provision for any impairment in value. Investment carrying values are reviewed for impairment periodically and when there has been an indication of a potential impairment.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

1. ACCOUNTING POLICIES - continued

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.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

The company had no employees (2013: none).

3. OPERATING PROFIT/(LOSS)

The following amounts have been credited in arriving at the operating profit/(loss):

	2014 £'000	2013 £'000
Other operating income		
Income from the release of a provision against amounts owed by group undertakings	<u>11,868</u>	<u>-</u>

The following amounts have been charged in arriving at the operating profit/(loss):

	2014 £'000	2013 £'000
Other operating charges		
Other operating charges	57	57
Increase in provisions against amounts owed by group undertakings	-	2,500
Waiver of loan balance owed by group undertakings	<u>335</u>	<u>-</u>

The fee payable for the audit of £29,000 (2013: £29,000) has been paid by another group undertaking.

Directors' emoluments

	2014 £'000	2013 £'000
Aggregate emoluments	1,829	1,690
Aggregate amounts (excluding shares) receivable under long-term incentive plans	404	435
Company contributions paid to money purchase pension schemes	<u>69</u>	<u>32</u>

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014****3. OPERATING PROFIT/(LOSS) - continued**

Retirement benefits are accruing to three directors (2013: three directors) under defined benefit schemes, and to five directors (2013: two directors) under a money purchase scheme. Shares in the ultimate parent company, Deutsche Post AG, are accruing to seven directors (2013: five directors) under long term incentive plans. Four directors (2013: none) exercised share options in the ultimate parent company, Deutsche Post AG, during the year.

H Hanche receives no remuneration specifically relating to services for the company.

Highest paid director

	2014 £'000	2013 £'000
Total amounts of emoluments and amounts (excluding shares) receivable under long term incentive schemes	581	1,066
Defined benefit pension scheme: Accrued pension at end of year	<u>65</u>	<u>65</u>

The highest paid director had 62,378 shares (2013: 56,254) in the ultimate parent company, Deutsche Post AG, receivable under a long term incentive plan.

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

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Interest receivable from group undertakings	7,087	9,286
Other interest receivable	<u>72</u>	<u>-</u>
	<u>7,159</u>	<u>9,286</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Interest payable to group undertakings	<u>4,287</u>	<u>5,712</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£'000	£'000
Current tax		
UK tax liability borne for other group undertakings	21,421	11,178
Adjustments in respect of prior years	<u>(3,599)</u>	<u>790</u>
	17,822	11,968
Foreign tax	<u>-</u>	<u>89</u>
Total current tax	<u><u>17,822</u></u>	<u><u>12,057</u></u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation	<u>14,348</u>	<u>71,017</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	3,085	16,511
Effects of:		
Expenses not allowable for UK tax	72	582
Income not subject to UK tax	(2,552)	(16,275)
Utilisation of tax losses	<u>(605)</u>	<u>(818)</u>
UK current tax for the year	<u>-</u>	<u>-</u>
UK tax liability borne for other group undertakings	21,421	11,178
Adjustment in respect of prior years	<u>(3,599)</u>	<u>790</u>
	17,822	11,968
Foreign tax	<u>-</u>	<u>89</u>
Current tax for the year	<u><u>17,822</u></u>	<u><u>12,057</u></u>

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014****6. TAX ON PROFIT ON ORDINARY ACTIVITIES - continued****Deferred tax**

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

	2014 Unrecognised £'000	2013 Unrecognised £'000
Trading and other losses	376	939
Capital losses	<u>2,499</u>	<u>2,499</u>
Net deferred tax asset	<u>2,875</u>	<u>3,438</u>

Deferred tax has been calculated at a rate of 20% (2013: 20%).

The company had a net deferred tax asset at 31 December 2014 of £2,875,000 (2013: £3,438,000) which has not been recognised in the financial statements because of the uncertainty that any future economic benefit arising from the timing differences will accrue to the company.

7. DIVIDENDS

	2014 £'000	2013 £'000
Ordinary shares of 27 7/9p each - Interim	<u>-</u>	<u>80,000</u>

8. INVESTMENTS

	Shares in group undertakings £'000	Other investments other than loans £'000	Total £'000
COST			
At 1 January 2014	584,312	40,493	624,805
Disposals	<u>-</u>	<u>(10,822)</u>	<u>(10,822)</u>
31 December 2014	<u>584,312</u>	<u>29,671</u>	<u>613,983</u>
NET BOOK VALUE			
At 31 December 2014	<u>584,312</u>	<u>29,671</u>	<u>613,983</u>
At 31 December 2013	<u>584,312</u>	<u>40,493</u>	<u>624,805</u>

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014****8. INVESTMENTS - continued**

The following companies are the subsidiary undertakings whose results or financial position principally affected the figures shown in the company's annual financial statements. Unless otherwise stated, 100% of the ordinary share capital is owned directly by the company, they are incorporated in the United Kingdom, operate in their country of incorporation, and have a 31 December year end:

Company	Nature of Business
Exel Investments Limited	Investment company
Exel Overseas Limited	Investment company
Ocean Overseas Holdings Limited	Investment company
DHL Exel Supply Chain Limited	Investment company

The directors believe that the carrying value of the investments is supported by their underlying net assets.

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

Where relevant, any indirect investments are disclosed in the financial statements of the companies listed above.

Other investments comprise the company's interest in the King's Cross Central Property Trust (the "Trust") which is incorporated in Jersey. At 31 December 2014 this interest includes 19,040,000 units in the Trust and £10,631,250 of unsecured advances to the King's Cross Central Limited Partnership with no entitlement to interest since 31 March 2011. During the year £10,822,144 of the unsecured advances were repaid. The remaining advances are repayable by 31 December 2020 at the latest. The units are unlisted and the company owns 13.5% of the issued units of the Trust. The Trust owns King's Cross Central Limited Partnership, which owns a property near King's Cross Station in London.

In the opinion of the directors the nature of the advances are that of a quasi-equity investment. Consequently, the outstanding balance is included within other investments.

The directors have obtained a valuation relating to the company's investment that is not less than the carrying value reflected in the financial statements.

9. DEBTORS

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>481,504</u>	<u>487,380</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed to group undertakings	318,992	339,974
Corporation tax	11,022	3,199
Other creditors	<u>489</u>	<u>554</u>
	<u>330,503</u>	<u>343,727</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

11. CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
Allotted and fully paid		
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.

12. RESERVES

	Profit and loss account £'000	Share premium account £'000	Capital redemption reserve £'000	Total £'000
At 1 January 2014	397,817	179,374	105,972	683,163
Loss for the financial year	(3,474)	-	-	(3,474)
Write back unclaimed dividends	15	-	-	15
	<u>394,358</u>	<u>179,374</u>	<u>105,972</u>	<u>679,704</u>
At 31 December 2014				

During the year the company returned £14,950 to distributable reserves relating to dividends which were declared when the company acted as the parent company for the Exel plc group, and that have remained unclaimed by the recipient for more than 12 years.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	(3,474)	58,960
Dividends	-	(80,000)
	<u>(3,474)</u>	<u>(21,040)</u>
Write back unclaimed dividends	15	24
Net reduction of shareholders' funds	(3,459)	(21,016)
Opening shareholders' funds	<u>768,508</u>	<u>789,524</u>
Closing shareholders' funds	<u>765,049</u>	<u>768,508</u>

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

14. 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 £311,430 (2013: £301,179). These guarantees are typically for overdraft facilities, certain operating leases and customs and airline credit facilities.

(c) 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.

(d) With effect from 26th March 2012, the company has given a guarantee to the Trustees of the Tibbett & Britten Section of the DHL Group Retirement Plan. The guarantee provides assurance to the Trustees, up to the level of debt under Section 75(2) of the Pensions Act 1995, should the sponsoring employers of the Tibbett & Britten Section of the UK Plan become insolvent. The company has in turn received confirmation from Deutsche Post AG that it will indemnify Exel Limited by a counter guarantee, to a maximum amount of the debt under Section 75(2) of the Pensions Act 1995, in the event any claim is made by the Trustees against Exel Limited. The valuation of the deficit for Section 75 purposes was £549m (2013: £413m).

15. POST BALANCE SHEET EVENTS

On 17 April 2015 the company agreed the disposal of 7.5% of its total 13.5% investment in the King's Cross Central Property Trust (note 8). At the same time an equivalent proportion of outstanding advances to the King's Cross Central Limited Partnership were repaid. Following the disposal the carrying value of the remaining investment, including advances, reduced to £13,256,942.

16. 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.