

REGISTERED NUMBER: 02209019 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2017
for
DHL EXEL SUPPLY CHAIN LIMITED**

THURSDAY



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DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Contents of the Financial Statements
for the Year Ended 31 December 2017**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

S Fink
T Kühl
J Li
M Trimm

SECRETARY:

J Li

REGISTERED OFFICE:

Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

REGISTERED NUMBER:

02209019 (England and Wales)

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Strategic Report
for the Year Ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

During the year the company was an investment holding company in the Deutsche Post DHL Group.

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.

	2017 £	2016 £
Loss for the financial year	<u>2,874,459</u>	<u>3,606,065</u>

The loss for the financial year results from interest payable on a loan from a fellow group undertaking.

Given the straightforward nature of the business, the directors consider that a discussion of the main business risks and 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: 25 June 2018

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

Report of the Directors for the Year Ended 31 December 2017

The directors present their report with the audited financial statements of the company for the year ended 31 December 2017.

FUTURE DEVELOPMENTS

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

GOING CONCERN

The company has received a letter of support from Exel Limited, a fellow group 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, 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 are implemented by the company's finance department.

The company does not use derivative financial instruments.

DIVIDENDS

No dividends were distributed for the year ended 31 December 2017 or 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

S Fink
J Li
M Trimm

Other changes in directors holding office are as follows:

K Smith – resigned on 31 March 2017
J Gill – appointed on 1 April 2017 and resigned on 13 June 2018
T Kühl – appointed on 13 June 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.

**Report of the Directors – continued
for the Year Ended 31 December 2017**

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.

EXEMPTION FROM THE REQUIREMENT TO PERFORM AN AUDIT

The company has taken advantage of the exemption from audit granted under Section 479A of the Companies Act 2006 to subsidiary companies of an EU registered ultimate parent company. The ultimate parent company Deutsche Post AG, a company registered in Germany, has agreed to the exemption and provided a guarantee to the company for all outstanding liabilities to which the company is subject at the end of the financial year, in accordance with Section 479C of the Companies Act 2006.

BY ORDER OF THE BOARD:



.....
J Li - Secretary

Date: 25 June 2018

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Statement of Comprehensive Income
for the Year Ended 31 December 2017**

	Note	2017 £	2016 £
Other operating charges		<u>(10,100)</u>	<u>(10,085)</u>
OPERATING LOSS	5	(10,100)	(10,085)
Other interest receivable and similar income	6	564	475
Interest payable and similar charges	7	<u>(2,864,923)</u>	<u>(3,596,455)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,874,459)	(3,606,065)
Tax on loss on ordinary activities	8	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(2,874,459)</u>	<u>(3,606,065)</u>

There are no items of other comprehensive income other than the loss for the financial year (2016: £nil).

CONTINUING OPERATIONS

All results relate to continuing operations.

The notes on pages 8 to 16 form part of these financial statements.

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)**Balance sheet
as at 31 December 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	9	484,969,861	484,969,861
CURRENT ASSETS			
Debtors	10	2,256,765	6,302,236
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(234,031,047)	(235,202,059)
NET CURRENT LIABILITIES		(231,774,282)	(228,202,059)
TOTAL ASSETS LESS CURRENT LIABILITIES		253,195,579	256,070,038
CAPITAL AND RESERVES			
Called up share capital	12	232,306,654	232,306,654
Retained earnings		20,888,925	23,763,384
SHAREHOLDERS' FUNDS		253,195,579	256,070,038


The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements on pages 5 to 16 were approved by the Board of Directors on 25 June 2018 and signed on its behalf by:



 M Trimm - Director

The notes on pages 8 to 16 form part of these financial statements.

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total £
Balance at 1 January 2016	232,306,654	27,369,449	259,676,103
Changes in equity			
Loss for the financial year	-	(3,606,065)	(3,606,065)
Balance at 31 December 2016	<u>232,306,654</u>	<u>23,763,384</u>	<u>256,070,038</u>
Changes in equity			
Loss for the financial year	-	(2,874,459)	(2,874,459)
Balance at 31 December 2017	<u>232,306,654</u>	<u>20,888,925</u>	<u>253,195,579</u>

Retained earnings represents accumulated comprehensive income for the year and prior periods.

The notes on pages 8 to 16 form part of these financial statements.

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

Notes to the Financial Statements for the Year Ended 31 December 2017

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

General information

DHL Exel Supply Chain 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 company has received a letter of support from Exel Limited, a fellow group 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 and under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards.

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 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 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 2017**

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 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 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 Exel Limited, a fellow group undertaking. Under the terms of this agreement, Exel Limited has undertaken to discharge the current and future UK corporation tax liabilities on behalf of, and benefit from any tax recoverable due to, the company. The company recognises its UK corporation tax and deferred tax liabilities, but as such liabilities are indemnified by Exel Limited, an indemnification asset for the amount due from Exel Limited is also recognised in the balance sheet until the amount is settled on the company's behalf. The net tax charge on the profit or loss on ordinary activities that has been indemnified by Exel Limited is netted against the indemnification amount due from Exel Limited in the statement of comprehensive income.

As a result of the above agreement with Exel Limited, the company will not benefit from the reversal of deferred tax assets and consequently these are not recognised in the financial statements.

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.

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 at the balance sheet date and when there has been an indication of potential impairment.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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 and the associated impairment provision.

4. STAFF COSTS

There were no staff costs for the year ended 31 December 2017 nor for the year ended 31 December 2016.

The company had no employees (2016: none).

5. OPERATING LOSS

The directors receive no remuneration (2016: £nil) specifically for services provided to the company.

Key management personnel include the directors of fellow group undertakings within the UK and Germany. The key management personnel receive no payment from the company with regard to these services.

There is no audit fee for 2017 (2016: £nil) as the company has taken advantage of the exemption from audit granted under Section 479A of the Companies Act 2006.

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017****6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2017 £	2016 £
Interest receivable from group undertakings	<u>564</u>	<u>475</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Interest payable to group undertakings	<u>2,864,923</u>	<u>3,596,455</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

A fellow group undertaking, Exel Limited, has undertaken to discharge the company's liability to UK corporation tax. The company has also agreed that Exel Limited will benefit from any tax recoverable. The indemnification asset arising under this agreement, if any, is disclosed in other debtors.

	2017 £	2016 £
Current tax	-	-
Deferred tax	<u>-</u>	<u>-</u>
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Reconciliation of tax charge

The tax assessed for the year differs from (2016: differs from) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before taxation	<u>(2,874,459)</u>	<u>(3,606,065)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	(553,333)	(721,213)
Effects of:		
Group relief surrendered to other group companies	<u>553,333</u>	<u>721,213</u>
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Tax rate changes

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

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017****9. INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2017 and 31 December 2017	<u>734,969,861</u>
PROVISIONS	
At 1 January 2017 and 31 December 2017	<u>250,000,000</u>
NET BOOK VALUE	
At 31 December 2017	<u>484,969,861</u>
At 31 December 2016	<u>484,969,861</u>

The provision of £250,000,000 is against the investment in DHL Services Limited made during 2015.

The following companies are the subsidiary undertakings and interests held directly or 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		
Exel International Holdings (Netherlands 1) B.V.	Investment company	Pierre de Coubertinweg 7N, 6225 XT, Maastricht, The Netherlands
Interests		
DHL Services Limited (0.1% owned)	Provision of staff	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EQ
Hyperion Properties Limited (0.03% owned)	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

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 - 09, Bogota, Colombia
DHL Corporate Services SC Mexico	100%	Autopista Mexico-Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitlán Izcalli, C.P. 54740, Mexico
DHL Distribution (Thailand) Limited	35.76%	76/1 M.6 Talingchan-Bangbuathong Rd., Bangrakpatana Bangbuathong, Nonthaburi, 11110, Thailand
DHL Global Forwarding (Brazil) Logistics Ltda	39.2%	Rua Jacerú, no. 151, 3. Floor Vila Gertrudes, Sao Paulo, CEP: 04705-000, Brazil
DHL Logistics (Brazil) Ltda	39.2%	Rua Jacerú n. 151 - 1 e 2 andares, Brooklin, Sao Paulo / SP, 04705-000, Brazil
DHL Service Central SARL	100%	241, rue de la Belle Etoile, ZI ParisNord, 95700, Roissy-en-France, France
DHL Services Logistiques SAS	100%	241, rue de la Belle Etoile, ZI ParisNord, 95700, Roissy-en-France, France
DHL Supply Chain (Thailand) Limited	49%	No. 9 G Tower Grand Rama 9, 26th Floor, Unit GN01, Rama 9 Road, Huaykwag District, Bangkok, 10310, Thailand

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

9. INVESTMENTS - continued

Indirectly held investments - continued

Company	% held through direct and indirect holding	Registered office address
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 Transportes (Brazil) Ltda	100%	Rua Jacerú, no. 151, 2 andar Vila Gertrudes, Sao Paulo, CEP: 04705-000, Brazil
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 France SA	100%	241, rue de la Belle Etoile, ZI ParisNord, 95700, Roissy-en-France, France
Exel International Holdings (Belgium) NV	100%	Zandvoortstraat 3, Industriezone Mechelen Noord, 2800 Mechelen, Belgium
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

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017****9. INVESTMENTS - continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
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
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
Olimpo Holding S.A.	31.3%	Rua Comendador Torlogo Dauntre, 74, Room 97 Cambui, Campinas, San Paulo CEP 13025-270 Brazil
Polar Transportes Rodoviários Ltda	31.3%	Eldorado Street – 950 – Km 05, Jardim Itatinga, Campinas, San Paulo CEP 13052-450 Brazil
Rio Lopes Transportes Ltda	31.3%	Felisbello Freire Street – 810, Ramos, Rio de Janeiro, CEP 21031-250, Brazil
Unidocks Assessoria e Logistica de Materiais Ltda	39.2%	Av. Ceci, 1900, Tamboré, Barueri, Sao Paulo, CEP: 06460-120, Brazil

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.

DHL EXEL SUPPLY CHAIN LIMITED (REGISTERED NUMBER: 02209019)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017****10. DEBTORS**

	2017	2016
	£	£
Amounts owed by group undertakings	<u>2,256,765</u>	<u>6,302,236</u>

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed to group undertakings	<u>234,031,047</u>	<u>235,202,059</u>

Amounts owed to group undertakings include an unsecured interest bearing loan. The rate of interest applicable is LIBOR plus a margin of 60 basis points (0.60%). The loan is repayable on demand.

12. CALLED UP SHARE CAPITAL

	2017	2016
	£	£
Allotted and fully paid		
108,467,645 (2016: 108,467,645) ordinary shares of £1 each	108,467,645	108,467,645
200,000,000 (2016: 200,000,000) ordinary shares of US\$1 each	<u>123,839,009</u>	<u>123,839,009</u>
	<u>232,306,654</u>	<u>232,306,654</u>

There were no allotments during the year.

There are no restrictions on the distribution of dividends and the repayment of capital.

13. CONTINGENT LIABILITIES

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 2017 was £70,294,000 (2016: £66,181,000).

14. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Exel Limited. 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.