

EXEL FREIGHT MANAGEMENT (UK) LIMITED

Company number: 577184

Annual Report and Financial Statements

For the Year Ended 31 December 2017

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EXEL FREIGHT MANAGEMENT (UK) LIMITED

Contents

	Page(s)
Company information	1
Directors' report	2 - 3
Statement of Financial Position	4 - 5
Notes to the financial statements	6 - 10

EXEL FREIGHT MANAGEMENT (UK) LIMITED

Company information

Directors	V Cameron M Young (appointed 17 th March 2017) J Li
Company secretary	Mrs Jane Li
Company number	577184
Registered office	Ocean House The Ring Bracknell Berkshire RG12 1AN
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

EXEL FREIGHT MANAGEMENT (UK) LIMITED

INCOME STATEMENT

For the year ended 31 December 2017

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2017.

Principal activity and business review

The principal activity of the company is that of an investment holding company.

The Company made a loss on ordinary activities before taxation in 2016 of £513,000 (2016: loss £513,000).

The Company received dividend income of £nil during the year (2016: £nil).

The Directors do not recommend the payment of a dividend (2016: £nil).

Future business

The company will continue to act as an investment holding company.

Directors

The Directors who held office during the year and up to the date of signing these financial statements are given below:

V Cameron

M Young (appointed 17th March 2017)

J Li

Employees

The company had no employees during the year.

Political and charitable contributions

During the year, the company did not make any donations (2016: £nil) to national and local charities within the UK. No political donations were made in the year (2016: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the Company financial statements (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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;

EXEL FREIGHT MANAGEMENT (UK) LIMITED

INCOME STATEMENT

For the year ended 31 December 2017

Directors' Report (continued)

Statement of directors' responsibilities (continued)

- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



Mrs Jane Li

Company Secretary

date 26.9.2018

EXEL FREIGHT MANAGEMENT (UK) LIMITED**INCOME STATEMENT****For the year ended 31 December 2017**

	Note	2017 £'000	2016 £'000
Administration expenses		51	-
Other operating income/(expense)	2	<u>(390)</u>	<u>(513)</u>
Operating profit/(loss)	3	(339)	(513)
Income from shares in group undertakings		<u>-</u>	<u>-</u>
Profit/(loss) before income tax		(339)	(513)
Income tax expense	5	<u>-</u>	<u>-</u>
Profit/(loss) for the year	12	<u>(339)</u>	<u>(513)</u>

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

All amounts relate to continuing operations.

Statement of comprehensive income
For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Profit/(loss) for the financial year		(339)	(513)
Total comprehensive income/(expense) for the year		(339)	(513)
Total comprehensive income/(expense) recognised since last annual report		(339)	(513)

EXEL FREIGHT MANAGEMENT (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	2017 £'000	2016 £'000
Assets			
Non-current assets			
Investments	6	-	-
Total non-current assets		-	-
Current assets			
Trade receivables	7	19,643	20,042
Total current assets		19,643	20,042
Total assets		19,643	20,042
Equity and liabilities			
Ordinary shares	10	3,000	3,000
Share premium	11	11,922	11,922
Retained earnings	11	4,721	5,060
Total equity		19,643	19,982
Liabilities			
Non-current liabilities			
Provisions for liabilities	9	-	60
Total non-current liabilities		-	60
Current liabilities			
Trade and other payables	8	-	-
Total current liabilities		-	-
Total liabilities		-	60
Total equity and liabilities		19,643	20,042

26th September 2018

The financial statements on pages 4 to 12 were approved by the Board of directors on date and were signed on its behalf by:

V. I. Ca.

V. Cameron

Director

Company number: 577184

EXEL FREIGHT MANAGEMENT (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

Statement of changes in equity

For the year ended 31 December 2017

	Note	Ordinary shares	Share premium	Retained earnings	Total
		£'000	£'000	£'000	£'000
Balance as at 1 January 2016	20	3,000	11,922	5,573	20,495
Profit/(Loss) for the year		-	-	(513)	(513)
Total comprehensive income/(expense) for the year		-	-	(513)	(513)
Total transactions with owners, recognized directly in equity		-	-	-	-
Balance as at 31 December 2016		3,000	11,922	5,060	19,982
Profit/(Loss) for the year		-	-	(339)	(339)
Total comprehensive income for the year		-	-	(339)	(339)
Total transactions with owners, recognized directly in equity					
Balance as at 31 December 2017		3,000	11,922	4,721	19,643

EXEL FREIGHT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the publicly available consolidated financial statements of its immediate parent, Deutsche Post AG.

(b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Deutsche Post AG which are publicly available.

As a qualifying entity, the Company has taken advantage of the exemption from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102.

The Company is exempt under the terms of paragraph 33.1A of FRS 102 from disclosing related party transactions with entities that are part of the Deutsche Post AG group or investees of Deutsche Post AG group.

(c) Income from shares in group undertakings

Dividends received from subsidiary undertakings are recognised on a cash receipt basis.

(d) Taxation

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 period 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting 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 reporting 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 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 profit and loss account.

EXEL FREIGHT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1 Accounting policies (continued)

(d) Taxation (continued)

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.

(e) Leased assets

Leases that do not transfer all the risk and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight line basis over the period of the lease.

(f) Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment, if any. Impairment reviews are conducted by the directors on an annual basis.

(g) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2 Other operating income

	2017 £'000	2016 £'000
Rental income/(expense)	<u>(339)</u>	<u>(513)</u>

3 Operating profit / (loss)

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

	2017 £'000	2016 £'000
Operating lease rentals		
Land and Buildings	-	-
Increase in dilapidation provision	<u>-</u>	<u>-</u>

4 Directors' emoluments

The Directors did not receive any emoluments in respect of their services to the company.

Both directors received remuneration for services provided to the Deutsche Post AG group from a fellow subsidiary.

The directors are the only employees of the company.

EXEL FREIGHT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

5 Income tax expense

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 receivables.

	2017 £'000	2016 £'000
Current tax	-	-
Deferred tax	-	-
Total tax per income statement	-	-

Reconciliation of tax charge

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

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	(339)	(513)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21.5%)	(65)	(103)
Effects of:		
Expenses not allowable for UK tax	48	-
Income not subject to UK tax	(10)	-
Transfer pricing adjustments	49	60
Group relief surrendered/(claimed) from other group companies	(22)	43
Current tax for the year	-	-

Tax rate changes

The reduction to the main rate of corporation tax from 20% to 19% from 1 April 2017 was substantively enacted on 26 October 2015. On 6 September 2016 Finance Bill 2016 was substantively enacted reducing the main rate of corporation tax further to 17% from 1 April 2020. Therefore, any deferred tax assets and liabilities reflect these rates.

6 Investments in group undertakings

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2017	176
At 31 December 2017	176
Provision	
At 1 January 2017	176
At 31 December 2017	176
Net book amount	
At 31 December 2017	-

EXEL FREIGHT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

At 31 December 2016

-

6 Investments in group undertakings (continued)

The following company is a subsidiary undertaking:

	Percentage of ordinary share capital	Country of registration
DHL Logistics Middle East FZE	100%	United Arab Emirates

The principal activity of the above undertaking is that of shipping and forwarding agents.

In the opinion of the Directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the aggregate amount included in the balance sheet.

7 Trade receivables

	2017 £'000	2016 £'000
Amounts owed by group undertakings	19,644	20,034
Prepayments	(1)	(1)
Other trade receivables	-	9
	<u>19,643</u>	<u>20,042</u>

All amounts owed by group undertakings are due from DHL Global Forwarding (UK) Limited, the immediate parent undertaking, in relation to the transfer of assets and trading activities of the company. All amounts are interest free and are repayable on demand.

8 Trade and other payables - current

	2017 £'000	2016 £'000
Accruals	-	-
Other taxes and social security	-	-
	<u>-</u>	<u>-</u>

9 Trade and other payables – non-current

	SAR provision £'000	Total provision £'000
At 1 January 2017	60	60
Additions	-	-
Reversal	(60)	(60)
Utilised	-	-
At 31 December 2017	<u>-</u>	<u>-</u>

The SAR provision relates to employees of a subsidiary of Exel Freight Management (UK) Limited that was dissolved prior to 2013. In accordance with DPDHL policy, this amount should have been provided for by

EXEL FREIGHT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

Exel Freight Management (UK) Limited on the same date. As the waiting period for this provision expired on 17th July 2017 no liability was held in the balance sheet as at 31st December 2017.

10 Ordinary Shares

	2017 £'000	2016 £'000
Authorised		
3,000,000 (2013: 3,000,000) ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Allotted, issued and fully paid		
2,999,510 (2013: 2,999,510) ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

11 Reserves

	Share premium account £'000	Profit and loss account £'000
At the beginning of the year	11,922	5,060
Profit/(loss) for the financial year	-	(339)
At 31 December 2017	<u>11,922</u>	<u>4,721</u>

12 Reconciliations of movements in total shareholders' funds

	2017 £'000	2016 £'000
Profit/(loss) for the financial year	(339)	(513)
Opening shareholders' funds as previously stated	<u>19,982</u>	<u>20,495</u>
At the beginning of the year as restated	<u>19,982</u>	<u>20,495</u>
Closing shareholders' funds	<u>19,643</u>	<u>19,982</u>

13 Immediate and ultimate parent undertakings and controlling party

The immediate parent company is DHL Global Forwarding (UK) Limited and the ultimate parent undertaking and controlling party is Deutsche Post AG, a company registered in Germany, which is the parent of the smallest and largest group in which the results of the company are consolidated. Copies of the Deutsche Post AG financial statements are available from the registered office at Deutsche Post AG, Platz der Deutsche Post, Charles de Gaulle Strasse 20, 53250 Bonn, Germany.