

**General Logistics Systems Express A/S  
Kokholm 13A  
6000 Kolding**

**CVR No. 14 41 40 02**

**Annual Report 2016/17**

The annual report was presented and adopted at the  
Company's annual general meeting

on 25 August 20 17

chairman



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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of General Logistics Systems Express A/S for the financial year 1 April 2016 – 31 March 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 – 31 March 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Kolding, 16 June 2017  
Executive Board:

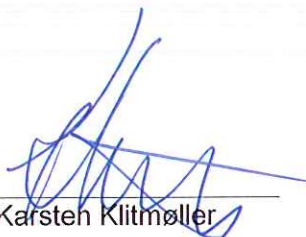


Karsten Klitmøller  
Managing Director

Board of Directors:



Saadi Al-Soudani  
Chairman



Karsten Klitmøller



Steen Kristensen

## Independent auditor's report

### To the shareholders of General Logistics Systems Express A/S

#### Opinion

We have audited the financial statements of General Logistics Systems Express A/S for the financial year 1 April 2016 – 31 March 2017 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2017 and of the results of the Company's operations and cash flows for the financial year 1 April 2016 – 31 March 2017 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines 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, Management is 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 16 June 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Nikolaj Møller Hansen  
State Authorised  
Public Accountant



Jakob Westerdahl  
State Authorised  
Public Accountant

General Logistics Systems Express A/S  
Annual Report 2016/17  
CVR no. 14 41 40 02

## Management's review

### Company details

General Logistics Systems Express A/S  
Kokholm 13A  
6000 Kolding

Telephone: +45 70 22 70 95  
Established: 1 July 1990  
Registered office: Kolding  
Financial year: 1 April – 31 March

### Board of Directors

Saadi Al-Soudani, Chairman  
Karsten Klitmøller  
Steen Kristensen

### Executive Board

Karsten Klitmøller, Managing Director

### Auditor

KPMG P/S  
Jupitervej 4, st.  
6000 Kolding  
Denmark



## Management's review

### Financial highlights

KDKK	2016/17	2015/16	2014/15	2013/14	2012/13
Gross profit	46.034	44.692	36.069	31.096	28.881
Ordinary operating profit	17.844	18.444	11.751	6.878	6.708
Profit/loss from financial income and expenses	(117)	(142)	(30)	(30)	(7)
<b>Profit for the year</b>	<b>13.793</b>	<b>13.981</b>	<b>8.806</b>	<b>5.080</b>	<b>4.977</b>
Total assets	50.227	48.000	40.865	32.837	31.027
Investment in property, plant and equipment	0	0	0	313	1.654
<b>Equity</b>	<b>20.952</b>	<b>21.159</b>	<b>15.178</b>	<b>11.372</b>	<b>11.292</b>
Return on invested capital	84,7%	101,5%	88,5%	60,7%	52,4%
Current ratio	167,6%	172,4%	148,5%	133,6%	132,4%
Return on equity	65,5%	77,0%	66,3%	44,8%	38,9%
Solvency ratio	41,7%	44,1%	37,1%	34,6%	36,4%
<b>Average number of full-time employees</b>	<b>65</b>	<b>60</b>	<b>58</b>	<b>58</b>	<b>56</b>

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.



## Management's review

### Operating review

#### Principal activities of the Company

General Logistics Systems Express A/S is a national express and courier company with primary business areas which include:

- Direct Solution
- SameDay Solution
- Global Express Parcel

#### Development in activities and financial position

The profit for the year before tax amounts to DKK 17.727 thousand and after tax DKK 13.793 thousand, which is in line with expectations set out in last years Financial Statements, and considered satisfactory, according to the current market conditions.

#### Events after the balance sheet date

After the balance sheet date no significant events have occurred, which are considered to have a material effect on the assessment of the Annual Report.

#### Outlook

It is the company's objective for the coming year to maintain the present market share and through an efficient control of costs and resources to improve profitability.

#### Risks

The management assesses that the company has not been affected by special risks beyond the common risks in the industry.

#### Environmental matters

The Company's nature of activities has only minor impact on external environment.

For further information, we refer to the GLS Group sustainability report, available from:

[https://gls-group.eu/DK\\_da/gls-group/sustainability](https://gls-group.eu/DK_da/gls-group/sustainability)

## Financial statements 1 April – 31 March

### Accounting policies

The annual report of General Logistics Systems Express A/S for 2016/2017 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 April 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016/2017 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

### Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Royal Mail plc.

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Direct Costs' and 'External Costs' are consolidated into one item designated 'Gross profit'.

## Accounting policies

### Recognition of income

Income from the sale of transports is recognised when delivery to the consignee have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

### Other external costs

Other external cost includes cost of sales, distribution, marketing, administration, premises, bad debt losses, operational leasing costs etc.

### Staff costs

Staff cost includes wages and salaries including holiday payment, pension cost and other cost for social security. Refund of wages and salaries from public institutions are deducted from Staff cost.

### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

### Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

The company is jointly taxed with the parent company General Logistics Systems Denmark A/S, CVR-no 10549744 and the tax effect of the joint taxation is allocated in relation to the taxable income of the companies.



## Accounting policies

### Balance sheet

#### Intangible assets

##### *Software and licences*

Software and licences are measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the remaining life of the software, and licences are amortised over the contract period, however, not exceeding 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses.

#### Property, plant and equipment

Leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, energy consumption, staff and depreciation of machinery used.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Leasehold improvements	5 years
Fixtures and fittings, tools and equipment	2-8 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Non-current assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.



## Accounting policies

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses.

### Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

### Investments

Other receivables and deposits are recognised at amortised cost, which usually approximates its nominal value.

### Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

## Accounting policies

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life. Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

### Equity

#### *Dividends*

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

## Accounting policies

### Liabilities other than provisions

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

## Income statement

DKK'000	Note	2016/17	2015/16
<b>Gross profit</b>		46.034	44.692
Staff costs	1	27.639	25.185
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	2	551	1.063
<b>Operating profit</b>		17.844	18.444
Other financial income		7	10
Other financial expenses		124	152
<b>Profit before tax</b>		17.727	18.302
Tax on profit for the year	3	3.934	4.321
<b>Profit for the year</b>	4	13.793	13.981



## Balance sheet

DKK'000	Note	2016/17	2015/16
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Software and licences	5	256	506
		<u>256</u>	<u>506</u>
<b>Property, plant and equipment</b>			
Leasehold improvements	6	12	24
Fixtures and fittings, tools and equipment		299	652
		<u>311</u>	<u>676</u>
<b>Investments</b>			
Other receivables and deposits		597	547
		<u>597</u>	<u>547</u>
<b>Total non-current assets</b>		<u>1.164</u>	<u>1.729</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		44.654	33.635
Receivables from group entities		519	325
Corporation tax receivable	7	17	0
Deferred tax asset	8	125	77
Other receivables		50	0
		<u>45.365</u>	<u>34.037</u>
<b>Cash at bank and in hand</b>		<u>3.698</u>	<u>12.234</u>
<b>Total current assets</b>		<u>49.063</u>	<u>46.271</u>
<b>TOTAL ASSETS</b>		<u>50.227</u>	<u>48.000</u>

## Balance sheet

DKK'000	Note	2016/17	2015/16
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	600	600
Retained earnings		6.352	6.559
Proposed dividends for the financial year		14.000	14.000
<b>Total equity</b>		<u>20.952</u>	<u>21.159</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		19.851	17.880
Payables to group entities		1.119	793
Corporation tax	10	0	564
Other payables		8.305	7.604
		<u>29.275</u>	<u>26.841</u>
<b>Total liabilities</b>		<u>29.275</u>	<u>26.841</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>50.227</u>	<u>48.000</u>
Contractual obligations, contingencies, etc.	11		
Related parties	12		
Related party transactions	13		

## Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
<b>Equity at 1 April 2015</b>	600	6.578	8.000	15.178
Distributed dividend			(8.000)	(8.000)
Transferred over the profit distribution		(19)	14.000	13.981
<b>Equity at 1 April 2016</b>	600	6.559	14.000	21.159
Distributed dividend			(14.000)	(14.000)
Transferred over the profit distribution		(207)	14.000	13.793
<b>Equity at 31 March 2017</b>	600	6.352	14.000	20.952

## Notes

DKK'000	2016/17	2015/16
<b>1 Staff costs</b>		
Wages and salaries	29.067	26.655
Pensions	2.002	1.835
Other social security costs	408	406
	<u>31.477</u>	<u>28.896</u>
Direct labour costs, included in gross profit	3.838	3.711
Staff costs	<u>27.639</u>	<u>25.185</u>
	<u>31.477</u>	<u>28.896</u>
Average number of full-time employees	<u>65</u>	<u>60</u>
According to section 98b (3) of the Danish Financial Statements Act, remuneration to the Managing Director or the Board of Directors is not disclosed.		
<b>2 Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses</b>		
Amortisation software and licenses	345	634
Depreciation leasehold improvements	12	12
Depreciation Fixtures and fittings, tools and equipment	316	473
Profit/loss on sale of non-current assets	(122)	(56)
	<u>551</u>	<u>1.063</u>
<b>3 Tax on profit for the year</b>		
Current tax for the year	3.982	3.964
Deferred tax adjustment for the year	(48)	357
	<u>3.934</u>	<u>4.321</u>



## Notes

DKK'000	2016/17	2015/16	
<b>4 Proposed profit distribution</b>			
Proposed dividends for the financial year	14.000	14.000	
Retained earnings	(207)	(19)	
	<u>13.793</u>	<u>13.981</u>	
<b>5 Intangible assets</b>			
DKK'000		Software and licenses	
Cost at 1 April 2016		2.324	
Additions		95	
Cost at 31 March 2017		<u>2.419</u>	
Amortisation and impairment losses at 1 April 2016		1.818	
Amortisation		345	
Amortisation and impairment losses at 31 March 2017		<u>2.163</u>	
<b>Carrying amount at 31 March 2017</b>		<u>256</u>	
<b>6 Property, plant and equipment</b>			
DKK'000	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
Cost at 1 April 2016	528	3.050	3.578
Additions	0	0	0
Disposals	0	(445)	(445)
Cost at 31 March 2017	<u>528</u>	<u>2.605</u>	<u>3.133</u>
Depreciation and impairment losses at 1 April 2016	504	2.398	2.902
Depreciation	12	316	328
Depreciation on disposals	0	(408)	(408)
Depreciation and impairment losses at 31 March 2017	<u>516</u>	<u>2.306</u>	<u>2.822</u>
<b>Carrying amount at 31 March 2017</b>	<u>12</u>	<u>299</u>	<u>311</u>

## Notes

DKK'000	<u>2016/17</u>	<u>2015/16</u>
<b>7 Corporation tax receivable</b>		
Corporation tax receivable at 1 April	(564)	(567)
Current tax for the year	(3.982)	(3.964)
Corporation tax paid for the year	4.563	3.967
<b>Corporation tax receivable at 31 March</b>	<u>17</u>	<u>(564)</u>
<b>8 Deferred tax asset</b>		
Deferred tax at 1 April	77	434
Deferred tax adjustment for the year	48	(357)
	<u>125</u>	<u>77</u>
Provisions for deferred tax relate to:		
Intangible assets	(56)	(111)
Property, plant and equipment	156	161
Liabilities other than provisions	25	27
	<u>125</u>	<u>77</u>
<b>9 Share capital</b>		
The share capital consists of:		
DKK'000		
A-shares, 600 shares of nom. DKK 1.000 each	600	600
	<u>600</u>	<u>600</u>

All shares rank equally.

## Notes

### 10 Contractual obligations, contingencies, etc.

Rent commitment until first breaking clause	<u>896</u>	<u>1.032</u>
Operating lease obligations	<u>930</u>	<u>691</u>

Operating lease obligations concerns lease of fixtures and fittings, tools and equipment. Remaining terms for operating lease obligations are 1-4 years.

General Logistics Systems Express A/S is jointly taxed with General Logistics Systems Denmark A/S. The Company is liable jointly and severally with the jointly taxed parent company. Receivable income tax (incl. pre-paid income tax for the tax year 2017) and withholding taxes within the joint taxation totalled March 31, 2017 DKK 2.163 thousand. Any subsequent corrections of taxable joint taxation income or withholding taxes could lead to changes in the company's liability.

## Notes

### 11 Related party disclosures

General Logistics Systems Express A/S' related parties comprise the following:

General Logistics Systems Denmark A/S, Kokmose 3, 6000 Kolding, Denmark (parent company)

General Logistics Systems B.V. and its subsidiaries

Royal Mail plc, Victoria Embankment, London EC4Y OHQ, United Kingdom (ultimate parent company) and its subsidiaries

Board of Directors, Managing Director and supervisors

The consolidated financial statements of the ultimate parent company Royal Mail plc can be obtained at the following address:

<http://www.royalmailgroup.com/sites/default/files/Annual%20Report%20and%20Accounts%202016-17.pdf>

### 12 Related party transactions

The company has chosen only to disclose transactions that are not carried out on an arm's lengths basis in accordance with section 98c(7) of the Danish Financial Statements Act.