

REGISTERED NUMBER: 00286932 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2012
for
EXEL FINANCE LIMITED**



EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

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for the Year Ended 31 December 2012**

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EXEL FINANCE LIMITED

**Company Information
for the Year Ended 31 December 2012**

DIRECTORS:

P Taylor
D Woolliscroft
Exel Secretarial Services Limited

SECRETARY:

Exel Secretarial Services Limited

REGISTERED OFFICE:

Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

REGISTERED NUMBER:

00286932 (England and Wales)

AUDITORS:

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

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

Report of the Directors for the Year Ended 31 December 2012

The directors present their report with the audited financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of leasing vehicles and other tangible assets from external third party lease providers and charging them to fellow subsidiary undertakings

REVIEW OF BUSINESS

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. As leases with third party lease providers fall due for renewal they will be renewed in DHL Supply Chain Limited (formerly Exel Europe Limited), a fellow group undertaking. Consequently the level of activity in the current year is reduced compared to the prior year. In addition the business is actively reviewing existing leases and where possible novating them to DHL Supply Chain Limited (formerly Exel Europe Limited) ahead of their expiry date.

	2012	2011
	£'000	£'000
Profit for the year	<u>49</u>	<u>58</u>

FUTURE DEVELOPMENTS

The external commercial environment is expected to remain competitive in 2013 as customer arrangements continue to be renewed. Following the decision to renew third party leases in DHL Supply Chain Limited (formerly Exel Europe Limited), a fellow group undertaking, the activity in this company is expected to reduce in future.

GOING CONCERN

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.

CREDITOR PAYMENT POLICY

It is the company's practice that payments to suppliers are generally made in accordance with terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. At 31 December 2012, there were no significant open trade creditor positions on the balance sheet (2011: £nil).

BUSINESS RISK AND KEY PERFORMANCE INDICATORS

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.

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 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 2012.

The total distribution of dividends for the year ended 31 December 2011 was £57,000.

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Report of the Directors
for the Year Ended 31 December 2012**

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

P Taylor
D Woolliscroft
Exel Secretarial Services Limited

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 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 elected to prepare 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

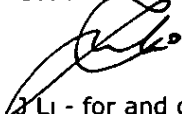
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

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.

ON BEHALF OF THE BOARD:



J Li - for and on behalf of
Exel Secretarial Services Limited - Secretary

Date 27th June 2013

Report of the Independent Auditors to the Members of Exel Finance Limited

We have audited the financial statements of Exel Finance Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 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). 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



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

Date 27 June 2013

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)**Profit and Loss Account
for the Year Ended 31 December 2012**

	Notes	2012 £'000	2011 £'000
TURNOVER	2	7,730	16,842
Depreciation		(2)	(8)
Other operating charges		<u>(7,711)</u>	<u>(16,778)</u>
OPERATING PROFIT	4	17	56
Profit on sale of tangible fixed assets		<u>35</u>	<u>-</u>
		52	56
Interest receivable and similar income	5	<u>-</u>	<u>2</u>
		52	58
Interest payable and similar charges	6	<u>(3)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49	58
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>49</u>	<u>58</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 profits for the current year or previous year

The notes on pages 7 to 12 form part of these financial statements

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)**Balance Sheet
31 December 2012**

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	9	<u>-</u>	<u>3</u>
CURRENT ASSETS			
Debtors	10	391	1,306
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(32)</u>	<u>(999)</u>
NET CURRENT ASSETS		<u>359</u>	<u>307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>359</u>	<u>310</u>
CAPITAL AND RESERVES			
Called up share capital	13	250	250
Share premium account	14	2	2
Profit and loss account	14	<u>107</u>	<u>58</u>
SHAREHOLDERS' FUNDS	16	<u>359</u>	<u>310</u>

The financial statements were approved by the Board of Directors on 27th June 2013 and were signed on its behalf by



D Woolliscroft - Director

The notes on pages 7 to 12 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2012**

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

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 the disclosure of related party transactions with other wholly owned members of the Group

Revenue recognition

Turnover is recognised based on the fair value of the right to consideration for the sale of services, namely the provision of vehicles and other assets. For the sale of services, turnover is determined by the percentage of the total service chargeable to customers completed by the balance sheet date. Turnover excludes value added tax and equivalent taxes, duty and other disbursements made on behalf of customers

Tangible fixed assets

Fixed assets are stated at cost less depreciation and less any impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation of tangible fixed assets is charged evenly over their estimated useful lives at the following rates

Plant and machinery	5 to 10 years
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Assets that are not expected to be held for the whole of their useful lives are written down to estimated residual values at disposal

The carrying values of tangible fixed assets are reviewed for impairment if circumstances indicate that they may not be recoverable

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

1 ACCOUNTING POLICIES - continued

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 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.

2 TURNOVER

Turnover relates to the company's principal activity, which the directors consider constitutes a single class of business. The geographical origin of turnover was the United Kingdom.

3 STAFF COSTS

There were no staff costs for the year ended 31 December 2012 nor for the year ended 31 December 2011.

The company had no employees (2011: none).

4 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£'000	£'000
Operating lease rentals - plant and machinery	7,673	16,770
Depreciation - owned assets	2	8

The directors received no remuneration, (2011: £nil) specifically for services provided to the company.

The fee payable for the audit of £4,320 (2011: £4,160) has been paid by another group undertaking.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£'000	£'000
Interest receivable from group undertakings	-	2

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012****6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £'000	2011 £'000
Interest payable to group undertakings	<u>3</u>	<u>-</u>

7 TAX ON PROFIT 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.

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK 24.5% (2011 26.5%). The differences are explained below:

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	<u>49</u>	<u>58</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	12	15
Effects of Capital allowances for the year in excess of depreciation	(16)	(11)
UK current tax for the year	<u>(4)</u>	<u>4</u>
Group relief surrendered to/(claimed from) other group companies	4	(4)
Current tax for the year	<u>-</u>	<u>-</u>

Deferred Tax

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

	2012 £'000 Unrecognised	2011 £'000 Unrecognised
Accelerated tax depreciation	32	50
Net deferred tax asset	<u>32</u>	<u>50</u>

Deferred tax has been calculated at a rate of 23% (2011 25%).

The company had a net deferred tax asset at 31 December 2012 of £32,000 (2011 £50,000) 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.

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

8 DIVIDENDS

	2012	2011
	£'000	£'000
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>57</u>

9 TANGIBLE ASSETS

	Plant and machinery £'000
COST	
At 1 January 2012	3,655
Disposals	(1,809)
Transfers to group undertakings	(1,846)
At 31 December 2012	<u>-</u>
DEPRECIATION	
At 1 January 2012	3,652
Charge for year	2
Disposals	(1,809)
Transfers to group undertakings	(1,845)
At 31 December 2012	<u>-</u>
NET BOOK VALUE	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u>3</u>

10 DEBTORS

	2012	2011
	£'000	£'000
Amounts owed by group undertakings	289	1,306
Other debtors	<u>102</u>	<u>-</u>
	<u>391</u>	<u>1,306</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£'000	£'000
Trade creditors	-	2
Amounts owed to group undertakings	15	-
Other creditors	2	986
Accruals and deferred income	<u>15</u>	<u>11</u>
	<u>32</u>	<u>999</u>

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012****12 OPERATING LEASE COMMITMENTS**

The company had commitments during the next financial year in respect of non-cancellable operating leases expiring as follows

	Other operating leases	
	2012 £'000	2011 £'000
Expiring		
Within one year	458	1,620
Between one and five years	1,052	6,705
In more than five years	-	291
	<u>1,510</u>	<u>8,616</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £'000	2011 £'000
250,000	Ordinary		<u>250</u>	<u>250</u>

There were no allotments during the year

14 RESERVES

	Profit and loss account £'000	Share premium account £'000	Totals £'000
At 1 January 2012	58	2	60
Profit for the year	<u>49</u>	<u>-</u>	<u>49</u>
At 31 December 2012	<u>107</u>	<u>2</u>	<u>109</u>

15 POST BALANCE SHEET EVENTS

From 1 April 2013 the main rate of corporation tax will be reduced to 23%

In the 20th March 2013 Budget Statement an announcement was made that the main corporation tax rate will be reduced in Finance Act 2013 from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. As these rate reductions were not substantively enacted at the balance sheet date they are not included in these financial statements

The directors are of the opinion that the financial effect of the rate changes outlined above on the company's unrecognised deferred tax asset will not be materially significant

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£'000	£'000
Profit for the financial year	49	58
Dividends	-	(57)
Net addition to shareholders' funds	49	1
Opening shareholders' funds	310	309
Closing shareholders' funds	359	310

17 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) For Value Added Tax 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 and Customs.

18 ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is DHL Supply Chain Limited (formerly Exel Europe 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.