

REGISTERED NUMBER: 00286932 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2013
for
EXEL FINANCE LIMITED**

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for the Year Ended 31 December 2013**

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EXEL FINANCE LIMITED

**Company Information
for the Year Ended 31 December 2013**

DIRECTORS:

J Li
P Taylor

SECRETARY:

Exel Secretarial Services Limited

REGISTERED OFFICE:

Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

REGISTERED NUMBER:

00286932 (England and Wales)

INDEPENDENT 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)

**Strategic Report
for the Year Ended 31 December 2013**

The directors present their strategic report for the year ended 31 December 2013.

REVIEW OF BUSINESS

During the year under review the company leased vehicles and other tangible assets from external third party lease providers and provided them to fellow subsidiary undertakings.

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.

	2013	2012
	£'000	£'000
Profit for the year	<u>10</u>	<u>49</u>

As leases with third party providers became due for renewal during the year, they were renewed in DHL Supply Chain Limited, a fellow group undertaking. An active program of novating the remaining leases was initiated during 2013. This process was largely completed by the end of 2013 and was finalised early in 2014. Consequently, the turnover reduced from £7,730,000 in 2012 to £712,000 in 2013 with operating profit reducing from £17,000 to £10,000 over the same period.

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

Date: 30th June 2014

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

Report of the Directors for the Year Ended 31 December 2013

The directors present their report with the audited financial statements of the company for the year ended 31 December 2013.

FUTURE DEVELOPMENTS

Following the decision to renew third party leases in DHL Supply Chain Limited, a fellow group undertaking, the activity in this company is expected to reduce in future. The company is expected to be liquidated during 2014 once all existing leases have been transferred out.

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.

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 2013 or 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

P Taylor has held office during the whole of the period from 1 January 2013 to the date of this report.

Other changes in directors holding office are as follows:

J Li - appointed on 5 February 2014

D Woolliscroft - resigned on 5 February 2014

Exel Secretarial Services Limited - resigned on 5 February 2014

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. The company also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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.

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Report of the Directors
for the Year Ended 31 December 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES – continued

In preparing these financial statements, the directors are required to:

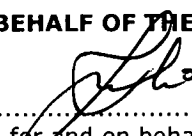
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 or she ought to have taken as a director in order to make himself or herself 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: 30th June 2014

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Exel Finance Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

What an audit of financial statements involves

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



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

Date: 30th June 2014

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Profit and Loss Account
for the Year Ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
TURNOVER	2	712	7,730
Depreciation		-	(2)
Other operating charges		<u>(702)</u>	<u>(7,711)</u>
OPERATING PROFIT	4	10	17
Profit on sale of tangible fixed assets		<u>-</u>	<u>35</u>
		10	52
Interest payable and similar charges	5	<u>-</u>	<u>(3)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10	49
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>10</u>	<u>49</u>

DISCONTINUED OPERATIONS

All of the company's activities relate to discontinued operations.

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

TOTAL RECOGNISED GAINS AND LOSSES

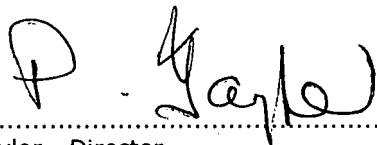
The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes on pages 9 to 13 form part of these financial statements

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)**Balance Sheet
31 December 2013**

	Notes	2013 £'000	2012 £'000
CURRENT ASSETS			
Debtors	7	369	391
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	-	(32)
NET CURRENT ASSETS		<u>369</u>	<u>359</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>369</u>	<u>359</u>
CAPITAL AND RESERVES			
Called up share capital	10	250	250
Share premium account	11	2	2
Profit and loss account	11	<u>117</u>	<u>107</u>
SHAREHOLDERS' FUNDS	12	<u>369</u>	<u>359</u>

The financial statements were approved by the Board of Directors on 30th June 2014 and were signed on its behalf by:



.....
P Taylor - Director

The notes on pages 9 to 13 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2013**

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.

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 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 but 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.

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.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2013**

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 2013 nor for the year ended 31 December 2012.

The company had no employees (2012: none).

4. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £'000	2012 £'000
Operating lease rentals - plant and machinery	702	7,673
Depreciation - owned assets	<u>-</u>	<u>2</u>

The directors received no remuneration, (2012: £nil) specifically for services provided to the company.

The fee payable for the audit of £4,500 (2012: £4,320) has been paid by another group undertaking.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Interest payable to group undertakings	<u>-</u>	<u>3</u>

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2013****6. 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 of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	<u>10</u>	<u>49</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	2	12
Effects of:		
Capital allowances for the year in excess of depreciation	<u>(32)</u>	<u>(16)</u>
UK current tax for the year	(30)	(4)
Group relief surrendered to other group companies	<u>30</u>	<u>4</u>
Current tax for the year	<u>-</u>	<u>-</u>

Deferred Tax

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

	2013 Unrecognised £'000	2012 Unrecognised £'000
Accelerated tax depreciation	<u>-</u>	<u>32</u>
Net deferred tax asset	<u>-</u>	<u>32</u>

In Finance Act 2013 the main rate of corporation tax was reduced from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. As these rate reductions were substantively enacted at the balance sheet date deferred tax balances have been remeasured based on a rate of 23, 21 or 20 per cent depending on the expected timing of reversal of the related timing or temporary difference.

The company had a net deferred tax asset at 31 December 2013 of £nil (2012: £32,000) 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 2013****7. DEBTORS**

	2013	2012
	£'000	£'000
Amounts owed by group undertakings	369	289
Other debtors	-	102
	<u>369</u>	<u>391</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	-	15
Other creditors	-	2
Accruals and deferred income	-	15
	<u>-</u>	<u>32</u>

9. 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	
	2013	2012
	£'000	£'000
Expiring:		
Within one year	-	458
Between one and five years	-	1,052
	<u>-</u>	<u>1,510</u>

10. CALLED UP SHARE CAPITAL

	2013	2012
	£'000	£'000
Allotted and fully paid		
250,000 ordinary shares of £1 each	<u>250</u>	<u>250</u>

There were no allotments during the year.

11. RESERVES

	Profit and loss account	Share premium account	Total
	£'000	£'000	£'000
At 1 January 2013	107	2	109
Profit for the year	<u>10</u>	<u>-</u>	<u>10</u>
At 31 December 2013	<u>117</u>	<u>2</u>	<u>119</u>

EXEL FINANCE LIMITED (REGISTERED NUMBER: 00286932)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2013**

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial year	<u>10</u>	<u>49</u>
Net addition to shareholders' funds	10	49
Opening shareholders' funds	<u>359</u>	<u>310</u>
Closing shareholders' funds	<u>369</u>	<u>359</u>

13. 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 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.

14. POST BALANCE SHEET EVENTS

On 7 February 2014, the directors approved a share capital reduction, and, as a consequence the issued share capital of the company was reduced from 250,000 ordinary shares of £1 each to 100 shares of £1 each. As a result, the distributable reserves of the company were increased by £249,900.

15. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is DHL Supply Chain 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.