

## **EXEL MANAGEMENT SERVICES NO 2 LIMITED**

**Registered number: 1900170**

### **Annual Report and Financial Statements**

**For the Year Ended**

**31 December 2009**

**Directors**  
**P Taylor**  
**C Waters**  
**Exel Nominee No 2 Limited**  
**Exel Secretarial Services Limited**

**Secretary**  
**Exel Secretarial Services Limited**

**Registered Office**  
**Ocean House**  
**The Ring**  
**Bracknell**  
**Berkshire**  
**RG12 1AN**



## **EXEL MANAGEMENT SERVICES NO 2 LIMITED**

### **Directors' Report for the year ended 31 December 2009**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

#### **Results and dividends**

	<b>2009 £000</b>	<b>2008 £000</b>
Profit/(loss) for the year	<b><u>20,017</u></b>	<b><u>(215)</u></b>

The directors do not recommend the payment of a final dividend (2008. £nil)

#### **Principal activity, business review and future developments**

The principal activity of the company was the provision of management services to companies within the group, this ceased during 2006

The results for current year are largely due to the waiver of a loan from a fellow group undertaking. The company is not expected to trade in the foreseeable future.

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

#### **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

#### **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

#### **Directors**

The directors who held office during the year and up to the date of this report are given below

J Bumstead	ceased to be a director on 31 August 2009
P Taylor	was appointed a director on 28 August 2009
C Waters	was appointed a director on 28 August 2009
Exel Nominee No 2 Limited	
Exel Secretarial Services Limited	

## **EXEL MANAGEMENT SERVICES NO 2 LIMITED**

### **Directors' Report for the year ended 31 December 2009 (continued)**

#### **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.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report 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 those 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 have been followed, subject to any material departures disclosed and explained in the 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.

#### **Statement as to disclosure of information to auditors**

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 (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 one ought to have taken as a director in order to make oneself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



J Sargeant  
For and on behalf of  
Exel Secretarial Services Limited  
Secretary  
30<sup>th</sup> June 2010

## **EXEL MANAGEMENT SERVICES NO 2 LIMITED**

### **Independent Auditors' Report to the Members of Exel Management Services No 2 Limited**

We have audited the financial statements of Exel Management Services No 2 Limited for the year ended 31 December 2009 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 Directors' Responsibilities Statement as 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 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.

#### **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 2009 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

30<sup>th</sup> June 2010

## EXEL MANAGEMENT SERVICES NO 2 LIMITED

### Profit and Loss Account

For the year ended 31 December 2009

	Note	2009 £000	2008 £000
Other operating income	2	20,017	-
Other operating charges	2	-	(215)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>20,017</b>	<b>(215)</b>
Tax on profit/(loss) on ordinary activities	5	-	-
<b>Profit /(loss) for the financial year</b>	9	<b>20,017</b>	<b>(215)</b>

The results for the year derive from discontinued operations

There are no recognized gains or losses other than the profit/(loss) for the year or previous year


## EXEL MANAGEMENT SERVICES NO 2 LIMITED

### Balance Sheet

At 31 December 2009

	Note	2009 £000	2008 £000
<b>Current assets</b>			
Debtors, amounts falling due within one year	6	-	15
<b>Creditors: amounts falling due within one year</b>	7	-	(20,032)
<b>Net liabilities</b>		<u>-</u>	<u>(20,017)</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	-	(20,017)
<b>Total shareholders' deficit</b>		<u>-</u>	<u>(20,017)</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 30<sup>th</sup> June 2010 and signed on its behalf by

  
P Taylor  
Director

**Registered number: 1900170**

## **EXEL MANAGEMENT SERVICES NO 2 LIMITED**

### **Notes to the Financial Statements**

**For the year ended 31 December 2009**

#### **1 Accounting Policies**

The principal accounting policies adopted by the company are set out below and are consistent with those of the previous year

##### **(a) Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards

##### **(b) Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Deutsche Post AG, a company incorporated in Germany, and is included in the consolidated financial statements of Deutsche Post AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with other wholly-owned members of the Group.

##### **(c) 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 result 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 Ltd, 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 MANAGEMENT SERVICES NO 2 LIMITED

### Notes to the Financial Statements (continued)

For the year ended 31 December 2009

#### 2 Operating income and expense

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

	2009 £000	2008 £000
Other operating income	20,017	-
Other operating charges	-	(215)

The other operating income in 2009 results from the waiver of an intercompany loan from a fellow group subsidiary

The fee payable for the audit of £1,500 (2008 £1,500) has been paid by another fellow group undertaking

#### 3 Directors' emoluments

The directors received no remuneration (2008: none) for services provided to the company

#### 4 Employees

The company had no employees (2008: none)

#### 5 Tax on profit/(loss) on ordinary activities

A fellow group undertaking, Exel Ltd, has undertaken to discharge the company's liability to UK corporation tax. The company has also agreed that Exel Ltd 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 United Kingdom of 28% (2008: 28.5%). The differences are explained below:

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before tax	20,017	(215)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28.5%)	5,605	(61)
<b>Effects of:</b>		
Income not subject to UK tax	(5,605)	-
Schedule D Case VI loss carried forward	-	61
<b>Current tax for the year</b>	-	-

The rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's loss for the accounting period ended 31 December 2008 was taxed at an effective rate of 28.5%. Profits or losses of the current and future periods will be taxed at 28%.



## EXEL MANAGEMENT SERVICES NO 2 LIMITED

### Notes to the Financial Statements (continued)

For the year ended 31 December 2009

#### 5 Tax on profit/(loss) on ordinary activities (continued)

##### Deferred tax

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

	<b>2009 Unprovided £000</b>	<b>2008 Unprovided £000</b>
Trading and other losses	<b>60</b>	-
Net deferred tax asset	<b>60</b>	-

Deferred tax has been calculated at a rate of 28% (2008: 28%)

The company had a net deferred tax asset at 31 December 2009 of £60,000 (2008: £nil) 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

#### 6 Debtors

	<b>2009 £000</b>	<b>2008 £000</b>
Amounts falling due within one year.		
Amounts owed by group undertakings	<b>-</b>	<b>15</b>

#### 7 Creditors: amounts falling due within one year

	<b>2009 £000</b>	<b>2008 £000</b>
Amounts owed to group undertakings	<b>-</b>	<b>20,032</b>

#### 8 Called up share capital

	<b>2009 £</b>	<b>2008 £</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<b>100</b>	<b>100</b>
<b>Allotted and fully paid</b>		
100 ordinary shares of £1 each	<b>100</b>	<b>100</b>

There were no allotments during the year

## EXEL MANAGEMENT SERVICES NO 2 LIMITED

### Notes to the Financial Statements (continued)

For the year ended 31 December 2009

#### 9 Reconciliation of shareholders' deficit and movements on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' deficit £000
At 1 January 2008	-	(19,802)	<b>(19,802)</b>
Loss for the financial year	-	(215)	<b>(215)</b>
At 31 December 2008	-	(20,017)	<b>(20,017)</b>
Profit for the financial year	-	20,017	<b>20,017</b>
At 31 December 2009	-	-	-

#### 10 Contingent liabilities

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

#### 11 Immediate and ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Tibbett & Britten Group 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.

#### 12 Events after the balance sheet date

In his Budget Statement issued on 22 June 2010, the Chancellor of the Exchequer announced the Government's intention to reduce future corporation tax rates to 27% from 1 April 2011 and by a further 1% in following years to a target rate of 24%.

At the date of signing these accounts these proposals had not been substantively enacted. There is no financial impact on these financial statements arising from these proposals.