

Exel Logistics (Northern Ireland) Limited
Annual report
for the year ended 31 December 2009

FRIDAY



JNI
17/09/2010
COMPANIES HOUSE

296

Exel Logistics (Northern Ireland) Limited

Annual report for the year ended 31 December 2009

	Pages
Directors and advisers	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

Exel Logistics (Northern Ireland) Limited

1

Directors and advisers

Directors

M O Donoghue (resigned 31 March 2010)

J Bumstead (resigned 31 August 2009)

C Brvans (appointed 28 August 2009)

Exel Nominee No 2 Limited (appointed 31 March 2010)

Company secretary

Exel Secretarial Services Limited

Registered office

McKinney Industrial Estate

Mallusk

Co Antrim

BT36 8YZ

Solicitors

Arthur Cox

Capital House

3 Upper Queen Street

Belfast

BT1 6PN

Bankers

Bank of Ireland

27 High Street

Co Antrim

BT41 4AX

Statutory auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

18 Northland Row

Dungannon

Co Tyrone

BT71 6AP

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

Principal activity

The company's principal activity during the year was that of freight forwarding

Business review

The company's results show a profit of £163,256 (2008: £291,651). During the prior year the company developed transport links in new geographical areas, particularly China and Japan. This area of the business was sustained in the year ended 31 December 2009.

The directors have decided to transfer the trade in full of Exel Logistics (Northern Ireland) Limited to Exel Europe Limited (another DHL Group entity) with effect from 1 January 2010. This was part of a Group-wide legal entity reduction project. All debtors and creditors both inter-company and third party will be settled. As a result Exel Logistics (Northern Ireland) will become a dormant company.

Principal risks and uncertainties

As part of the Deutsche Post Group the company is subject to a standardised process that ensures that risks are identified, analysed and evaluated in a timely manner. The key business risks and uncertainties affecting the company are the current economic downturn and competition from other logistics companies.

Key performance indicators

The company's key performance indicators are as follows:

	2009	2008
Growth in turnover	(31.2 %)	28.2 %
Gross profit margin	15.8 %	15.1 %
Profit before tax as a percentage of turnover	2.5 %	3.1 %

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Financial risk management

The company's operations are wholly related to the activities of the Deutsche Post World Net 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 finance department.

The company does not use derivative financial instruments.

Results and dividends

The company's profit for the financial year is £163,256 (2008: £291,651). The directors do not recommend the payment of a final dividend (2008: £Nil).

Directors' report for the year ended 31 December 2009 (continued)

Directors

The directors who held office during the year are given below

M O Donoghue (resigned 31 March 2010)

J Bumstead (resigned 31 August 2009)

C Brvans (appointed 28 August 2009)

Exel Nominee No 2 Limited (appointed 31 March 2010)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors PricewaterhouseCoopers LLP indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



Exel Secretarial Services Limited
Company secretary

Date 10th September 2010

Independent auditors' report to the members of Exel Logistics (Northern Ireland) Limited

We have audited the financial statements of Exel Logistics (Northern Ireland) 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 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 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.

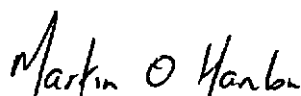
Exel Logistics (Northern Ireland) Limited

Independent auditors' report to the members of Exel Logistics (Northern Ireland) Limited (continued)

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



Martin O Hanlon (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Dungannon

14 9 2010

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	3	6 514 935	9 473 704
Cost of sales		(5 487 134)	(8 041 917)
Gross profit		1 027 801	1 431 787
Distribution costs		(53 172)	(39 373)
Administrative expenses		(813 218)	(1 096 453)
Operating profit		161 411	295 961
Interest receivable and similar charges		16 004	23 460
Interest payable and similar charges	7	(14 159)	(27 770)
Profit on ordinary activities before taxation		163 256	291 651
Tax on profit on ordinary activities	8		
Profit for the financial year	14	163 256	291 651

All amounts above relate to continuing operations of the company

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

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

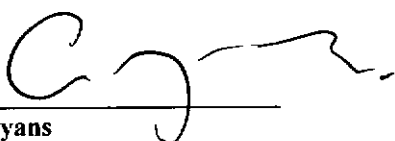
Exel Logistics (Northern Ireland) Limited

7

Balance sheet as at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	9	4 452	54 798
Current assets			
Debtors	10	5 588 791	6 913 561
Cash at bank and in hand		6 823	5 143
		5 595 614	6 918 704
Creditors amounts falling due within one year	11	(1 188 222)	(2 724 914)
Net current assets		4 407 392	4 193 790
Total assets less current liabilities		4 411 844	4 248 588
Capital and reserves			
Called up share capital	13	12 500	12 500
Profit and loss account	14	4 399 344	4 236 088
Total shareholders funds	15	4 411 844	4 248 588

The financial statements on pages 6 to 13 were approved by the board of directors on 10th September 2010 and were signed on its behalf by


C Bryans
Director

Registered number NI 31923

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

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 accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Computer equipment	20
Plant and machinery	50
Office equipment	20

Turnover

Turnover represents the invoiced value of goods and services supplied during the year excluding value added tax and is net of sales returns, trade discounts and rebates. Revenue is recognised upon provision of the service.

Deferred 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 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.

Leased assets

Rentals under operating leases are charged to revenue as incurred.

2 Cash flow statement

The company is a wholly owned subsidiary of Exel Freight Management (UK) Limited 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 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of Deutsche Post AG group.

Notes to the financial statements for the year ended 31 December 2009

3 Turnover

Turnover relates to the company's main activity which is carried out in the United Kingdom

4 Operating profit

	2009	2008
	£	£
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
owned assets	2 231	21 148
Loss on disposal of fixed assets	30 520	
Operating lease rentals		
vehicles	28 454	76 824
Fees payable to the company's auditor for the audit of the accounts	8 000	7 600

5 Employee information

A fellow subsidiary company DHL Services Limited (formerly Exel Management Services Limited) has provided staff services to Exel Logistics (Northern Ireland) Limited throughout the year. These costs are shown in administration expenses.

The disclosure of the wages and salaries costs of those employees that have been recharged to Exel Logistics (Northern Ireland) Limited is included within the notes of DHL Services Limited (formerly Exel Management Services Limited).

6 Directors' emoluments

The directors did not receive any emoluments from the company during the year (2008: £Nil).

7 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank overdraft	14 159	27 770

Notes to the financial statements for the year ended 31 December 2009

8 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.

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008: 28.5%).

The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	163,256	291,651
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2008: 28.5%)	45,712	83,121
Effects of:		
Expenses not deductible for tax purposes	6,864	7,859
Capital allowances for the year in excess of depreciation	5,570	6,027
Group relief claimed	(58,146)	(97,007)
Current tax charge for the year		

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

The Company had a net deferred tax asset at 31 December 2009 of £13,154 (2008: £7,584) 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.

9 Tangible assets

	Computer equipment £	Plant and equipment £	Office equipment £	Total £
Cost				
At 1 January 2009	35,448	72,189	7,148	114,785
Additions				
Disposals		(65,894)	(3,225)	(69,119)
At 31 December 2009	35,448	6,295	3,923	45,666
Accumulated depreciation				
At 1 January 2009	34,364	19,538	6,085	59,987
Charge for the year	1,084	84	1,063	2,231
On disposals		(17,779)	(3,225)	(21,004)
At 31 December 2009	35,448	1,843	3,923	41,214
Net book amount				
At 31 December 2009		4,452		4,452
At 31 December 2008	1,084	52,651	1,063	54,798

Notes to the financial statements for the year ended 31 December 2009

10 Debtors

	2009	2008
	£	£
Trade debtors	1 098 866	2 306 795
Amounts owed by group undertakings	4 465 614	4 526 301
Prepayments and accrued income	24 311	80 465
	5 588 791	6 913 561

11 Creditors amounts falling due within one year

	2009	2008
	£	£
Bank overdraft		483 033
Trade creditors	285 227	477 430
Amounts due to group undertakings	676 503	1 423 812
Accruals and deferred income	226 492	340 639
	1 188 222	2 724 914

12 Deferred tax

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

	2009	2008
	Unprovided	(As restated) Unprovided
	£	£
Accelerated tax depreciation	7 246	7 584
Net deferred tax asset	7 246	7 584

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 £7 246 (2008: £7 584) 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

13 Called up share capital

	2009	2008
	£	£
Authorised		
1 000 000 ordinary shares of £1 each	1 000 000	1 000 000
Allotted and fully paid		
12 500 (2008: 12 500) ordinary shares of £1 each	12 500	12 500

Notes to the financial statements for the year ended 31 December 2009

14 Profit and loss account

	£
At 1 January 2009	4 236 088
Profit for the financial year	163 256
At 31 December 2009	4 399,344

15 Reconciliation of movements in shareholder's funds

	2009 £	2008 £
Profit for the financial year	163 256	291 651
Opening shareholders funds	4 248 588	3 956 937
Closing shareholders funds	4 411 844	4 248 588

16 Financial commitments

At 31 December the company had annual commitments under non cancellable operating leases expiring as follows

	Motor vehicles 2009 £	Motor vehicles 2008 £
Within one year		28 454

17 Contingent liability

The directors are aware that there is a potential claim against the company for damage to goods in transport. To date no formal claim has been presented but in the event of any liability against the company being established the directors are confident that any direct financial impact will be restricted to the company's insurance excess which stands at €80 000.

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. No loss is expected to arise therefrom.

18 Events after the balance sheet date

In the Finance (No 2) Act 2010 the corporation tax rate has been reduced to 27% from 1 April 2011. In his Budget Statement issued on 22 June 2010 the Chancellor of the Exchequer also announced the Government's intention to reduce future corporation tax rates by a further 1% in following years to a target of 24% by 1 April 2014. None of these changes were substantively enacted at the balance sheet date and therefore are not included in these financial statements.

The directors are of the opinion that the financial effect of these future rate reductions on the company's unprovided deferred tax asset will not be significant.

Exel Logistics (Northern Ireland) Limited

Notes to the financial statements for the year ended 31 December 2009

19 Related party transactions and ultimate controlling party

The company's immediate parent undertaking is Exel Freight Management (UK) Limited, a company incorporated in the United Kingdom. The company's ultimate parent company and ultimate controlling party is Deutsche Post AG, which is 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 for Deutsche Post AG are available to the public and can be obtained from Deutsche Post AG, Investor Relations, 53250 Bonn, Germany.

Transactions with related parties

FRS 8 Related Party Disclosures exempts subsidiary companies from the requirement to disclose details of transactions where 100% of the voting rights are controlled by a group that prepares publicly available consolidated financial statements in which the subsidiary undertakings are included. The company has availed of this exemption.