

EXEL SCOTLAND LIMITED

Company number: SC4109

Annual Report and Financial Statements

For the Year Ended

31 December 2008

Directors

**Exel Nominee No 2 Limited
Exel Secretarial Services Limited
J Bumstead**

Secretary

Exel Secretarial Services Limited

SATURDAY



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COMPANIES HOUSE

**Registered Office
109 Douglas Street
Glasgow
G2 4HB
Directors' Report**

EXEL SCOTLAND LIMITED

Directors' Report for the year ended 31 December 2008

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

Results and dividends

	2008 £000	2007 £000
Profit for the year	422	414
Interim dividend paid	5,075	-

The Directors do not recommend the payment of a final dividend (2007: £nil).

Principal activity and business review

The principal activity of the Company is the receipt of interest from group undertakings. There was no business activity or developments during the period. It is unlikely that the Company will recommence trading 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 straight forward 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:

Exel Nominee No 2 Limited
Exel Secretarial Services Limited
J Bumstead

EXEL SCOTLAND LIMITED

Directors' Report (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 1985.

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). The financial statements are required by law to 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 year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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 1985. 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:

- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the Board



J Sargeant
For and on behalf of
Exel Secretarial Services Limited
Secretary

28th July 2009

EXEL SCOTLAND LIMITED

Independent Auditors' Report to the Members of Exel Scotland Limited

We have audited the Company's financial statements of Exel Scotland Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the title page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

28 July 2009

EXEL SCOTLAND LIMITED**Profit and Loss Account****For the year ended 31 December 2008**

	Note	2008 £000	2007 £000
Operating profit	2	-	-
Interest receivable and similar income	3	426	617
Interest payable and similar charges	4	(4)	(203)
Profit on ordinary activities before taxation		422	414
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	11	422	414

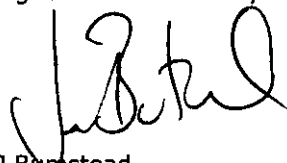
The results for the year derive from continuing operations.

There are no recognised gains or losses other than the profit for the year of £422,000 (2007: £414,000 profit).

EXEL SCOTLAND LIMITED**Balance Sheet****At 31 December 2008**

	Note	2008 £000	2007 £000
Current assets			
Debtors: amounts falling due within one year	7	<u>2,554</u>	<u>10,442</u>
Creditors: amounts falling due within one year	8	<u>-</u>	<u>(3,235)</u>
Net current assets		<u>2,554</u>	<u>7,207</u>
Total assets less current liabilities		2,554	7,207
Creditors: amounts falling due after more than one year	9	<u>(500)</u>	<u>(500)</u>
		<u>2,054</u>	<u>6,707</u>
Capital and reserves			
Called up share capital	10	1,553	1,553
Share premium account	11	79	79
Profit and loss account	11	<u>422</u>	<u>5,075</u>
Total shareholders' funds		<u>2,054</u>	<u>6,707</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 28th July 2009 and signed on its behalf by:



J Burnstead
Director

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 1985 and applicable UK accounting standards.

Group financial statements have not been prepared because the Company is a wholly owned subsidiary of Deutsche Post AG, a company incorporated in Germany. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) 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 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 disclosure of related party transactions with members of the Group or associates of other Group members.

(c) Taxation

The Company does not provide for UK corporation tax or deferred tax because a fellow group undertaking, Exel Limited, has undertaken to discharge the Company's liability to UK corporation tax.

EXEL SCOTLAND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2008

1 Directors' emoluments

The Directors received no remuneration (2007: None) for services provided to the Company.

2 Operating profit

The auditors' remuneration is borne by a fellow group undertaking. The audit fee attributable to this company was £1,500 (2007:£1,500)

3 Interest receivable and similar income

	2008 £000	2007 £000
Interest receivable from group undertakings	<u>426</u>	<u>617</u>

4 Interest payable and similar charges

	2008 £000	2007 £000
Interest payable to group undertakings	-	(199)
Preference share dividend paid: 7p (2007:7p) per £1 share	<u>(4)</u>	<u>(4)</u>
	<u>(4)</u>	<u>(203)</u>

5 Tax on profit on ordinary activities

A fellow group undertaking, Exel Limited, has undertaken to discharge the Company's liability to UK corporation tax and therefore no provision has been made for UK corporation tax or deferred tax.

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before taxation	<u>422</u>	<u>414</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	120	124
Effects of:		
Expenses not deductible for tax purposes	1	1
Group relief surrendered	<u>(121)</u>	<u>(125)</u>
Current tax charge	<u>-</u>	<u>-</u>

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 is taxed at an effective rate of 28.5% and the losses or profits of subsequent periods will be taxed at 28% in future.

6 Dividends

	2008 £000	2007 £000
Equity – Ordinary		
Interim paid – 0.82p per share (2007: none)	<u>5,075</u>	<u>-</u>

Notes to the Financial Statements (continued)

For the year ended 31 December 2008

7 Debtors

	2008 £000	2007 £000
Amounts falling due within one year		
Amounts owed by group undertakings	<u>2,554</u>	<u>10,442</u>

8 Creditors: Amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to group undertakings	<u>-</u>	<u>3,235</u>

9 Creditors: Amounts falling due after more than one year

	2008 £000	2007 £000
7% cumulative preference shares of £1 each	<u>500</u>	<u>500</u>

The preference shares carry no voting rights at meetings. On winding up of the Company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share plus accrued dividend.

10 Called up share capital

	2008 £000	2007 £000
Authorised		
7,000,000 ordinary shares of £0.25p each	<u>1,750</u>	<u>1,750</u>
Allotted and fully paid		
6,210,420 ordinary shares of £0.25p each	<u>1,553</u>	<u>1,553</u>

There were no allotments during the year.

11 Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Share premium account £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2007	1,553	79	4,661	6,293
Profit for the financial year	-	-	414	414
At 31 December 2007	<u>1,553</u>	<u>79</u>	<u>5,075</u>	6,707
Dividend			(5,075)	(5,075)
Profit for the financial year	-	-	422	422
At 31 December 2008	<u>1,553</u>	<u>79</u>	<u>422</u>	<u>2,054</u>

Notes to the Financial Statements (continued)

For the year ended 31 December 2008

12 Contingent liabilities

- (a) 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.
- (b) For UK corporate tax purposes the Company has made collective payment arrangements with other undertakings in the Group; under these arrangements the Company has a joint and several liability for amounts owed by those undertakings to HM Revenue & Customs.

13 Immediate and ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Exel Holdings 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.