

**REALCAUSE LIMITED**

**Company number: 2209019**

**Annual Report and Financial Statements**

**For the Year Ended**

**31 December 2008**

**Directors**

**J Bumstead  
Exel Nominee No 2 Limited**

**Secretary  
Exel Secretarial Services Limited**

**Registered Office  
The Merton Centre  
45 St Peters Street  
Bedford  
MK40 2UB**

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## **REALCAUSE LIMITED**

### **Directors' Report**

#### **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**

	<b>2008 £000</b>	<b>2007 £000</b>
Profit/(loss) for the year	<b>401,824</b>	<b>(38,755)</b>
Interim dividend paid	<b>384,225</b>	<b>-</b>

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

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

The principal activity of the Company is that of an investment holding company in the Deutsche Post DHL Group. This activity is expected to continue.

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  
Exel Nominee No 2 Limited

## **REALCAUSE 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 purposes 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:

- so far as the Director is aware, there is no relevant audit information 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.

#### **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  
27<sup>th</sup> August 2009

## **REALCAUSE LIMITED**

### **Independent Auditors' Report to the Members of Realcause Limited**

We have audited the financial statements of Realcause 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we also 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Milton Keynes

*27 August* 2009

# REALCAUSE LIMITED

## Profit and Loss Account

For the year ended 31 December 2008


	Note	2008 £000	2007 £000
Operating charges	1	-	(68)
<b>Operating profit/(loss)</b>		-	(68)
Profit on disposal of fixed asset investments	7	12,983	-
Income from shares in subsidiary undertakings		918,526	9,994
Interest receivable and similar income	3	517	13
Amounts written off investments	7	(479,392)	-
Interest payable and similar charges	4	(50,810)	(48,694)
<b>Profit/(loss) on ordinary activities before taxation</b>		401,824	(38,755)
Tax on profit/(loss) on ordinary activities	5	-	-
<b>Profit/(loss) for the financial year</b>	9	401,824	(38,755)

There are no recognised gains or losses other than the profit for the year of £401,824,000 (2007: loss £38,755,000).

**REALCAUSE LIMITED****Balance Sheet****At 31 December 2008**

	Note	2008 £000	2007 £000
<b>Fixed assets</b>			
Investments	7	<u>551,063</u>	<u>1,077,558</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year			
Amounts owed by group undertakings		514	9,994
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to group undertakings		<u>(268,744)</u>	<u>(822,318)</u>
<b>Net current liabilities</b>		<u>(268,230)</u>	<u>(812,324)</u>
<b>Total assets less current liabilities</b>		<u>282,833</u>	<u>265,234</u>
<b>Capital and reserves</b>			
Called up share capital	8	232,307	232,307
Profit and loss account	9	<u>50,526</u>	<u>32,927</u>
<b>Total shareholders' funds</b>		<u>282,833</u>	<u>265,234</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 27<sup>th</sup> August 2009 and signed on its behalf by



D Woolliscroft  
For and on behalf of  
Exel Nominee No 2 Limited  
Director

## **REALCAUSE LIMITED**

### **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) Dividend income**

Dividend income is recognised when the right to receive payment is established.

**(d) Fixed asset investments**

Fixed asset investments are included in the balance sheet at cost less provision for any impairment in value.

**(e) 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.

**(f) Foreign currency translation**

All transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs or at the contracted rate if the transaction is covered by forward foreign currency contracts. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling on the balance sheet date or, if appropriate, at a forward foreign currency contract rate. Exchange differences arising on foreign currency transactions are included in the profit and loss account.

# REALCAUSE LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2008

### 1 Operating income and expense

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

	2008 £000	2007 £000
<b>Operating charges</b>		
Exchange losses	-	68

The fee payable for the audit of £1,700 (2007: £1,700) has been paid by a fellow group undertaking.

### 2 Directors and employees

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

The Company had no employees (2007: none).

### 3 Interest receivable and similar income

	2008 £000	2007 £000
Interest receivable from group undertakings	517	13

### 4 Interest payable and similar charges

	2008 £000	2007 £000
Interest payable to group undertakings	50,810	48,694

### 5 Tax on profit/(loss) 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/(loss) on ordinary activities before taxation	401,824	(38,755)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	114,520	(11,627)
Effects of:		
Expenses not deductible for tax	136,626	-
Non taxable income	(265,480)	(2,998)
Group relief surrendered	14,334	14,625
Current tax charge	-	-

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%. Profits or losses of future periods will be taxed at 28%.



**REALCAUSE LIMITED****Notes to the Financial Statements (continued)****For the year ended 31 December 2008****6 Dividends**

	<b>2008</b> <b>£000</b>	2007 £000
<b>Equity - Ordinary</b>		
Interim paid (2007: none)	<u><b>384,225</b></u>	<u>-</u>

**7 Investments: shares in subsidiary undertakings**

	<b>£000</b>
<b>Cost</b>	
At 1 January 2008	<b>1,077,558</b>
Additions	<b>4,021</b>
Disposals	<b>(51,124)</b>
<b>At 31 December 2008</b>	<u><b>1,030,455</b></u>
<b>Provisions</b>	
At 1 January 2008	-
Charge in the year	<b>(479,392)</b>
<b>At 31 December 2008</b>	<u><b>(479,392)</b></u>
<b>Net book amount</b>	
<b>At 31 December 2008</b>	<u><b>551,063</b></u>
At 31 December 2007	<u>1,077,558</u>

The following companies are subsidiary undertakings and, unless otherwise stated, 100% of the ordinary share capital is owned directly by the Company, they operate in their country of incorporation, and have a 31 December year end:

<b>Company</b>	<b>Nature of business</b>	<b>Country of incorporation</b>
Adamsco Limited	Investment company	England
Exel International Holdings (Netherlands 1) BV	Investment company	The Netherlands
Kampton	In liquidation	Ireland
Millsdale	Investment company	England
Vetchlane Limited	In liquidation	Ireland
Wombleton	In liquidation	Ireland

In the opinion of the Directors, the aggregate value of the Company's investments in subsidiary undertakings is not less than the aggregate amount included in the balance sheet.

Exel Luxembourg 1 Sarl was placed into liquidation in the year and distributed all of its assets to the Company, including its investments in Kampton, Vetchlane Limited and Wombleton. A profit of £12,983,000 was recognised on the distribution. The Irish subsidiaries Kampton, Vetchlane Limited and Wombleton are in members voluntary liquidation. The majority of the shareholders' funds of the subsidiaries has been distributed to the parent undertakings. Accordingly, the carrying amount of the investments has been written down by £479,392,000 to the estimated net remaining value of the subsidiary undertakings.

# REALCAUSE LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2008

### 8 Called up share capital

	2008 £000	2007 £000
<b>Authorised</b>		
108,467,645 ordinary shares of £1 each	108,468	108,468
500,000,000 ordinary shares of US\$1 each	309,597	309,597
	<hr/>	<hr/>
<b>Allotted and fully paid</b>		
108,467,645 ordinary shares of £1 each	108,468	108,468
200,000,000 ordinary shares of US\$1 each	123,839	123,839
	<hr/>	<hr/>
	232,307	232,307
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There were no allotments during the year.

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

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2007	232,307	71,682	303,989
Loss for the financial year	-	(38,755)	(38,755)
At 31 December 2007	232,307	32,927	265,234
Profit for the financial year	-	401,824	401,824
Dividends	-	(384,225)	(384,225)
<b>At 31 December 2008</b>	<b>232,307</b>	<b>50,526</b>	<b>282,833</b>

### 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.
- 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.

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

The Company's immediate parent undertaking is Exel International 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.