

Registered number: 00192571

DHL Distribution Holdings (UK) Limited

**Annual report and financial statements
For the year ended 31 December 2011**

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DHL Distribution Holdings (UK) Limited

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DHL Distribution Holdings (UK) Limited

Company information

Directors	R Calder P Couchman D Gloeckner A McCambridge
Company secretary	Orbital Secretaries Limited
Registered number	00192571
Registered office	Orbital Park 178 - 188 Great South West Road Hounslow Middlesex TW4 6JS
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge UB8 1EX

DHL Distribution Holdings (UK) Limited

Directors' report

For the year ended 31 December 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

This report has been prepared taking advantage of the small companies exemption in accordance with s415A of the Companies Act 2006

Business review and principal activities

The company's principal activity during the year continued to be that of an investment holding company. No changes are expected to the principal activities in the foreseeable future.

In September 2011 the directors took advantage of sections 642-644 of the Companies Act 2006 by special resolution, to reduce the share capital of the company by converting the share premium reserve of £230,843,184, to revenue reserves. In order to complete this process the directors executed a solvency statement as required by section 643 whilst at the same time they received a letter from the Company's parent, undertaking to provide financial support for a period of at least fifteen months from September 12th 2011.

A number of the Company's subsidiaries made interim dividend payments in October 2011, the total of these dividends were £35,396,800.

During the year the directors conducted an impairment review of its investment in CPJ Travel Ltd and as a result provided for the full amount of £65,650 at 31 December 2011.

As part of a Deutsche Post A G group wide programme the Company identified 3 dormant subsidiaries whose affairs and balance sheet structures were of such a nature that it was agreed to have the companies struck off and accordingly, dissolution documents were prepared and submitted to Companies House in October 2011, these proposals are subject to a 90 day publication notice in the London Gazette.

Results and dividends

The profit for the year, after taxation, amounted to £35,097,000 (2010 loss of £58,935,000), which will be added to reserves.

During the year the directors recommended and paid an interim dividend of £43,396,800 (2010 £nil).

Directors

The directors who served during the year and up to the date of signing these financial statements were

R Calder

P Couchman

D Gloeckner – appointed 19th January 2011

M Masoud – resigned 31st March 2011

A McCambridge – appointed 14th September 2011

DHL Distribution Holdings (UK) Limited

Directors' report

For the year ended 31 December 2011 (continued)

Directors' responsibilities statement

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 prepared 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 the 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

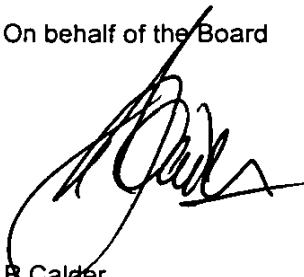
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies 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

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) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



R Calder
Director
Orbital Secretaries Limited

23/03/2012

DHL Distribution Holdings (UK) Limited

Independent auditors' report to the members of DHL Distribution Holdings (UK) Limited

We have audited the financial statements of DHL Distribution Holdings (UK) Limited for the year ended 31 December 2011 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 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

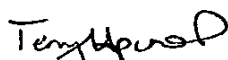
Opinion on other matter prescribed by the Companies Act 2006

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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.



Terence Hopcroft (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge 23/03/2012

DHL Distribution Holdings (UK) Limited

Profit and loss account For the year ended 31 December 2011

	Note	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Exceptional administrative expenses - impairment of investment	7	(66)	(13,112)
Other administrative expenses		<u>(310)</u>	<u>(3,839)</u>
Total administrative expenses		(376)	(16,951)
Operating loss	2	(376)	(16,951)
Income from shares in group undertakings		35,397	135
Interest receivable and similar income	5	76	647
Other finance expense - loss on settlement of loan	4	-	(42,766)
Profit/(loss) on ordinary activities before taxation		35,097	(58,935)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial year		35,097	(58,935)

All amounts relate to continuing operations

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 or loss on ordinary activities before taxation and the profit or loss for the financial years stated above and their historical cost equivalents

The notes on pages 7 to 13 form part of these financial statements

Balance sheet
As at 31 December 2011

			31 December 2011 £000	31 December 2010 £000
	Note	£000	£000	£000
Fixed assets				
Investments	7		24,413	24,479
Current assets				
Debtors	8	20,753		29,755
Cash at bank and in hand		—		181
		20,753		29,936
Creditors: amounts falling due within one year	9	<u>(5,799)</u>		<u>(6,748)</u>
Net current assets			<u>14,954</u>	<u>23,188</u>
Total assets less current liabilities			<u>39,367</u>	<u>47,667</u>
Capital and reserves				
Called up share capital	10		32,000	32,000
Share premium account	11		-	230,843
Profit and loss account	11		<u>7,367</u>	<u>(215,176)</u>
Total shareholders' funds	12		<u>39,367</u>	<u>47,667</u>

The financial statements on pages 5 to 13 were approved by the Board of directors on 23/03/2012 and signed on its behalf by



P Couchman
 Director

DHL Distribution Holdings (UK) Limited

Notes to the financial statements

For the year ended 31 December 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The 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.

1.2 Exemption from preparing consolidated accounts

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 on the grounds that it is included in the financial statements of Deutsche Post AG. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 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.

1.4 Cash flow and related party transactions

The company is a wholly owned subsidiary of Deutsche Post AG, and it is included in the consolidated financial statements of that company, 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 the Deutsche Post AG group or investees of the Deutsche Post AG group.

1.5 Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Where there is an indication that assets may be impaired there is an impairment review carried out by the directors.

DHL Distribution Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1.6 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

2. Operating loss

The operating loss is stated after charging

	Year ended 31 December 2011	Year ended 31 December 2010
	£000	£000
Impairment of loans to group undertakings	341	3,762
Auditors' remuneration - audit services	9	9

3. Directors' remuneration and employee information

During the year, none of the directors received any emoluments in respect of their services to the company (2010 £nil) No staff were employed by the company during the year (2010 none)

4. Other finance expense

	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Loss on forgiveness of loan to DHL Express (UK) Limited	-	(42,766)

5. Interest receivable and similar income

	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Interest receivable from group undertakings	76	647
	76	647

DHL Distribution Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

6. Tax on profit/ (loss) on ordinary activities

Factors affecting tax for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below

	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Profit/ (loss) on ordinary activities before taxation	35,097	(58,935)
Profit/ (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	9,301	(16,502)
Effects of:		
Expenses not allowable for UK tax	108	16,699
Income not subject to UK tax	(9,380)	(38)
UK current tax for the year	29	160
Group relief claimed from other group companies	(29)	(160)
Current tax for the year	=	=

A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011. In the 21st March 2012 Budget Statement an announcement was made that the main corporation tax rate will be reduced from 26% to 24% from 1 April 2012. Further reductions to the main rate of corporation tax are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore are not included in these financial statements.

The proposed changes, if enacted would not have any impact on these financial statements.

DHL Distribution Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

7. Fixed asset investments

	£000
Cost	
At 1 January 2011 and 31 December 2011	<u>31,865</u>
Provisions for impairment	
At 1 January 2011	(7,386)
Provided for during the year	<u>(66)</u>
At 31 December 2011	<u>(7,452)</u>
Net book value	
At 31 December 2011	<u>24,413</u>
At 31 December 2010	<u>24,479</u>

The company holds 100% of the ordinary share capital of the following subsidiary undertakings

Subsidiary undertakings	Principal activity and country of incorporation
DHL Express (Ireland) Limited	Parcel and document delivery (Ireland)
DHL Vehicle Services (UK) Limited *	Non-trading (England)
DHL International (UK) Limited	Parcel and document delivery (England)
DHL Aviation (UK) Limited	Document and freight delivery (England)
DHL Air Limited	Cargo air delivery (England)
DHL Management Services Limited	Administrative and support services (England)
Orbital Secretaries Limited	Dormant (England)
Outrack Credit (UK) Limited	Dormant (England)
CPJ Travel Limited *	Dormant (England)
DHL UK Pension Trustees Limited	Dormant (England)
DHL Inter *	Dormant (Scotland)

The directors undertook an impairment review of the investments in accordance with FRS 11. As a result of this impairment review the directors decided to provide fully for its investment in CPJ Travel Limited of £65,650 at 31 December 2011.

* DHL Vehicle Services (UK) Limited, CPJ Travel Limited and DHL Inter were all dissolved post year-end.

DHL Distribution Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

8. Debtors

	2011	2010
	£000	£000
Due within one year		
Amounts owed by group undertakings	20,753	29,755
	<u>20,753</u>	<u>29,755</u>

The amounts owed by group undertakings represent cash at bank of £20,753,382 (2010 £29,755,000) that is repayable by fellow subsidiary Deutsche Post Finance BV, is unsecured and earns interest income at 0.56%

9. Creditors: amounts falling due within one year

	2011	2010
	£000	£000
Amounts owed to group undertakings	5,299	5,465
Other creditors	151	151
Accruals and deferred income	349	1,132
	<u>5,799</u>	<u>6,748</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Called up share capital

	2011	2010
	£000	£000
Authorised, allotted, called up and fully paid		
32,000,000 (2010 32,000,000) ordinary A shares of 75p each	24,000	24,000
32,000,000 (2010 32,000,000) ordinary B shares of 25p each	8,000	8,000
	<u>32,000</u>	<u>32,000</u>

DHL Distribution Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11. Reserves

Share premium account £000

At 1 January 2011	230,843
Share premium conversion to distributable reserves	(230,843)
At 31 December 2011	<u>-</u>

Profit and loss account £000

At 1 January 2011	(215,176)
Share premium conversion to distributable reserves	230,843
Dividend payment	(43,397)
Profit for the financial year	35,097
At 31 December 2011	<u>7,367</u>

In September 2011 the directors took advantage of sections 642-644 of the Companies Act 2006 by special resolution, to reduce the share capital of the company by converting the share premium reserve of £230,843,184, to revenue reserves. In order to complete this process the directors executed a solvency statement as required by section 643 whilst at the same time they received a letter from the Company's parent, undertaking to provide financial support for a period of at least fifteen months from September 12th 2011.

12 Reconciliation of movement in total shareholders' funds

	2011 £000	2010 £000
Profit/ (loss) for the financial year	35,097	(58,935)
Dividend payment	(43,397)	-
Net decrease in shareholders' fund	<u>(8,300)</u>	(58,935)
Opening shareholders' funds	<u>47,667</u>	106,602
Closing shareholders' funds	<u>39,367</u>	<u>47,667</u>

13 Contingent liabilities

For Value Added Tax (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. At 31 December 2011, this liability amounted to £5,414,823 (2010 £4,910,000).

DHL Distribution Holdings (UK) Limited

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

14. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Deutsche Post AG, a company incorporated in Germany, which is the parent of the smallest and largest group in which the results of the company are consolidated. Copies of the Deutsche Post AG financial statements are available from Deutsche Post AG, Platz der Deutschen Post, Charles-de-Gaulle Strasse 20, 53250 Bonn, Germany.