

EXEL (AFRICA) LIMITED

Company number

3018815

Annual Report and Financial Statements

For the year ended

31 December 2006

Directors

S Harley
I A Degnan
Exel Nominee No 2 Limited

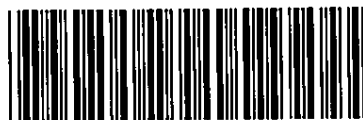
Secretary

Exel Secretarial Services Limited

Registered Office

Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

MONDAY



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EXEL (AFRICA) LIMITED

Directors' Report

The Directors present their report and the financial statements for the year ended 31 December 2006

Results and dividends

| | 2006 £000 | 2005 £000 |
|-------------------|----------------------|----------------------|
| Loss for the year | -262 | -742 |

No dividends have been proposed or paid during the year

Principal activity and business review

The principal activity of the Company is the international (export and import) forwarding and clearing of freight, and third party logistics

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 Company has received a commitment of financial support from its parent undertaking, Exel Limited, and therefore 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

Creditor payment policy

The Company's policy is to establish terms of payment with its suppliers when trading relationships are established, to ensure that the terms of payment are clear, and to abide by the agreed terms provided the supplier meets its obligations

EXEL (AFRICA) LIMITED

Directors' Report

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 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 proper accounting records which 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities

Directors

The Directors who held office during the year are given below:

S van Loon
I Degnan
SN Harley

ceased to be a Director on 1 March 2006

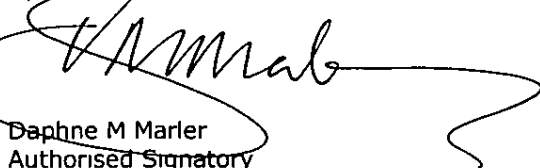
Exel Nominee No 2 Limited was appointed as a Director of the Company on 27 October 2008

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving the financial statements is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware

Having made enquiries of fellow Directors, each Director has taken all steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

By order of the Board



Daphne M Marler
Authorised Signatory
For and on behalf of
Exel Secretarial Services Limited
27th October 2008

EXEL (AFRICA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXEL (AFRICA) LIMITED

We have audited the Company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the Company 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

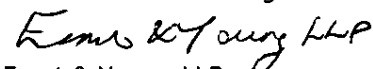
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 affairs of the Company as at 31 December 2006 and of its loss 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.



Ernst & Young LLP
Registered Auditor
London
27th October 2008

EXEL (AFRICA) LIMITED**Profit and Loss Account****For the year ended 31 December 2006**

| | Note | 2006 £000 | 2005 £000 |
|--|------|--------------|--------------|
| Turnover | | 3 | 593 |
| Operating charges | 1 | -226 | -1303 |
| Operating loss | | -223 | -710 |
| Net interest | 4 | -39 | -32 |
| Loss on ordinary activities before tax | | -262 | -742 |
| Tax on loss on ordinary activities | 5 | - | - |
| Loss for the financial year | | -262 | -742 |

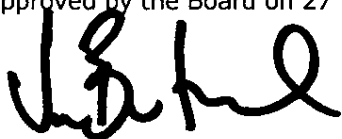
There are no recognised gains or losses or movements in shareholders' funds other than the loss for the year

The notes on pages 9 to 13 form part of these financial statements

EXEL (AFRICA) LIMITED**Balance Sheet****At 31 December 2006**

| | Note | 2006 £000 | 2005 £000 |
|---|------|---------------------|--------------|
| Fixed assets | | | |
| Tangible assets | 6 | <u>415</u> | <u>464</u> |
| | | 415 | 464 |
| Current assets | | | |
| Debtors amounts falling due within one year | 7 | <u>3069</u> | <u>2664</u> |
| | | 3069 | 2664 |
| Creditors: amounts falling due within one year | 8 | <u>-6643</u> | <u>-6025</u> |
| Net current liabilities | | -3574 | -3361 |
| Total assets less current liabilities | | <u>-3159</u> | <u>-2897</u> |
| Capital and reserves | | | |
| Called up share capital | | - | - |
| Profit and loss account | 10 | -3159 | -2897 |
| Shareholders' deficit | | <u>-3159</u> | <u>-2897</u> |

Approved by the Board on 27th October 2008 and signed on its behalf.



Jon Bumstead
 Authorised Signatory
 For and on behalf of
 Exel Nominee No 2 Limited
 Director

The notes on pages 9 to 13 form part of these financial statements

EXEL (AFRICA) LIMITED

Accounting Policies

The accounting policies adopted by the Company are set out below and are consistent with the previous year

(a) Accounting convention

The financial statements are prepared under the historical cost convention and are in accordance with applicable UK accounting standards. FRS 1 does not require the Company to prepare a cash flow statement and FRS 8 exempts the Company from disclosures of transactions with fellow subsidiary companies.

(b) Basis of preparation

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 Directors have concluded that it is appropriate to prepare financial statements on a going concern basis because the parent undertaking Exel Limited has given a written undertaking that it will continue to support the Company to allow it to meet its liabilities as they fall due.

(c) Revenue recognition

Turnover is recognised based on the fair value of the right to consideration for the sale of services and goods to third parties. For the sale of services, turnover is determined by the percentage of the total service chargeable to customers completed by the balance sheet date. Turnover excludes value added tax and equivalent taxes, duty and other disbursements made on behalf of customers and intercompany transactions.

(d) Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation and less permanent reductions in value. Cost includes interest on the funding of major assets until the asset is complete.

Depreciation of tangible fixed assets (excluding freehold and long leasehold land and assets in the course of construction, which are not depreciated) is charged evenly over their estimated useful lives at the following rates:

| | |
|---------------------------------------|----------------------------|
| Freehold and long leasehold buildings | 20 years |
| Short leasehold land and buildings | Over the life of the lease |
| Plant and equipment | 4 to 10 years |

Assets that are not expected to be held for the whole of their useful lives are written down to estimated residual values at disposal.

Disposals of land and buildings are taken into account when sale agreements have been entered into prior to the balance sheet date, provided that the disposal has been completed before the financial statements are approved.

The carrying values of tangible fixed assets are reviewed for impairment if circumstances indicate that they may not be recoverable.

(e) Leased assets

Rental costs of operating leases are charged against profit before interest as incurred.

(f) Taxation

For the year ended 31 December 2006 the Company does not provide for UK corporation tax or deferred tax because a fellow group undertaking Exel Ltd has undertaken to discharge the Company's liability to UK corporation tax.

(g) Pensions

The Exel Group maintains UK pension schemes for the funding of retirement benefits for scheme members during their working lives in order to pay benefits to them after retirement and to their dependants after their death. The cost of providing these benefits is assessed by external professional actuaries and is charged to the profit and loss account so as to spread the cost of retirement benefits over the period during which the employer derives benefit from the employee's services. The Company does not maintain any other post-retirement benefits.

(h) 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. 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.

EXEL (AFRICA) LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

1 Turnover and operating loss

Turnover relates to the Company's principal activity, which the Directors consider constitutes a single class of business

The following amounts have been charged in arriving at the operating loss

| | 2006 Total £000 | 2005 Total £000 |
|-------------------------|--------------------------------|--------------------------------|
| Staff costs | | |
| Wages and salaries | 86 | 798 |
| Other pension costs | 16 | 86 |
| Depreciation | | |
| Owned assets | 45 | 52 |
| Operating lease rentals | | |
| Land and buildings | 7 | 63 |
| Other operating charges | 72 | 304 |
| | <u>226</u> | <u>1303</u> |

2 Directors' emoluments

None of the Directors received emoluments relating to services rendered for Exel (Africa) Limited

3 Employees

The average number of persons employed during the year was as follows -

| | 2006 Number | 2005 Number |
|----------------|------------------------|------------------------|
| Administrative | <u>8</u> | <u>20</u> |

EXEL (AFRICA) LIMITED

Notes to the Financial Statements

For the year ended 31 December 2006

4 Net interest

| | 2006 £000 | 2005 £000 |
|---|--------------|--------------|
| Interest payable to group undertakings | 37 | 31 |
| Interest on bank loans and overdrafts | 2 | 1 |
| Interest payable and similar charges | 39 | 32 |

5 Tax on profit on ordinary activities

For the year ended 31 December 2006 a fellow group undertaking Exel Ltd has undertaken to discharge the Company's liability to UK corporation tax 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 is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

| | 2006 £000 | 2005 £000 |
|--|--------------|--------------|
| Loss on ordinary activities before taxation | -262 | -742 |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%) | -79 | -223 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 1 |
| Depreciation for period in excess of capital allowances | 8 | 5 |
| Short term timing differences | 3 | - |
| Group relief surrendered | 68 | 217 |
| Current tax charge for year | - | - |

The Company has a deferred tax asset at 31 December 2006 of £78,000 asset (2005 £62,000 asset) The deferred tax asset at 31 December 2006 has not been recognised in these financial statements as future tax liabilities will continue to be settled (or assets recovered) by Exel Limited, a fellow group undertaking

EXEL (AFRICA) LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2006

6 Tangible fixed assets

| | Land & Buildings Freehold £000 | Plant and equipment £000 | Total £000 |
|----------------------------|---|--------------------------------|---------------|
| Cost | | | |
| At 1 January 2006 | 503 | 112 | 615 |
| Disposals | - | -50 | -50 |
| At 31 December 2006 | 503 | 62 | 565 |
| Depreciation | | | |
| At 1 January 2006 | 79 | 72 | 151 |
| Charge for the year | 25 | 20 | 45 |
| Disposal | - | -46 | -46 |
| At 31 December 2006 | 104 | 46 | 150 |
| Net book amount | | | |
| At 31 December 2006 | 399 | 16 | 415 |
| At 1 January 2006 | 424 | 40 | 464 |

7 Debtors

| | 2006 £000 | 2005 £000 |
|-------------------------------------|--------------|--------------|
| Amounts falling due within one year | | |
| Trade debtors | - | 140 |
| Amounts owed by group undertakings | 2905 | 1940 |
| Other debtors | 155 | 577 |
| Prepayments and accrued income | 9 | 7 |
| | 3069 | 2664 |

EXEL (AFRICA) LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2006

8 Creditors: amounts falling due within one year

| | 2006 £000 | 2005 £000 |
|------------------------------------|--------------|--------------|
| Bank loans and overdrafts | 91 | 17 |
| Amounts owed to group undertakings | 6350 | 5830 |
| Other creditors | 202 | 178 |
| | <u>6643</u> | <u>6025</u> |

9 Pensions

The Company participates in contributory funded pension schemes operated by the Exel Group in the United Kingdom

The three major UK schemes are the Exel Retirement Plan ('ERP'), the Ocean Nestor Pension Scheme ('OCN') and the Tibbett & Britten Pension Scheme ('T&B'). These schemes include both defined benefit and defined contribution type arrangements and are administered by external trustees independently of the Group's finances. Details of the schemes are disclosed in the financial statements of Exel Limited (formerly Exel plc).

Employer and employee contributions to the principal schemes are determined across participating companies in the Exel Group in consultation with external professional actuaries whose latest valuations were made as at 31 March 2006 for the ERP and OCN schemes, and as at 5 April 2005 for the T&B scheme. The charge in respect of the schemes is the regular cost of benefits accruing during the year.

For FRS 17 disclosure purposes, the latest actuarial valuations of the schemes were updated by Watson Wyatt LLP to assess the liabilities of the schemes at 31 December 2006 and the schemes' assets were stated at their market value at 31 December 2006. On this basis, the aggregate deficit in the UK schemes was £32.3m at 31 December 2006.

It is not possible to identify the Company's share of the underlying assets and liabilities of the group schemes. Accordingly, under FRS17, the schemes are treated as if they were defined contribution schemes in the accounts of the Company. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The difference between contributions payable in the year and contributions actually paid is shown as an accrual or prepayment in the balance sheet.

As from 1 April 2003, the defined benefit and defined contribution arrangements existing at that date under the ERP and OCN schemes were closed to new employees. As from 1 November 2002, a substantial section of the defined benefit arrangement under the T&B scheme was closed to new employees. Defined contribution sections were established for new employees after these dates within the existing schemes.

EXEL (AFRICA) LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2006

10 Movements in shareholders' funds

| | Share capital £000 | Profit and loss account £000 | 2006 Total £000 | 2005 Total £000 |
|-----------------------------|--------------------------|---------------------------------------|-----------------------|-----------------------|
| Loss for the financial year | - | -262 | -262 | -742 |
| Movement in the year | - | -262 | -262 | -742 |
| At 1 January | - | -2897 | -2897 | -2155 |
| At 31 December | - | -3159 | -3159 | -2897 |

The authorised share capital was 100 shares of £1 each, at 31 December 2006 and 31 December 2005, of which 2 were allotted, called up and fully paid at par at 31 December 2006 and 31 December 2005.

11 Contingent liabilities

- (a) The nature of the Company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the Company.
- (b) For VAT purposes, the Company is grouped with other undertakings in the Exel VAT Group, under these arrangements the Company has a joint and several liability for amounts owed by those undertakings to H M Revenue and Customs.

12 Ultimate parent undertakings

The Company's immediate parent undertaking is MSAS Global Logistics Limited.

The Company's ultimate parent undertaking 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.