

REGISTERED NUMBER: 00073975 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2021
for
EXEL LIMITED**



EXEL LIMITED (REGISTERED NUMBER: 00073975)

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for the Year Ended 31 December 2021**

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EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

S Fink
M Lin
S Resnick
J Smith
R Taylor
M Trimm

REGISTERED OFFICE:

Solstice House
251 Midsummer Boulevard
Milton Keynes
MK9 1EA

REGISTERED NUMBER:

00073975 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Exchange House
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Strategic Report
for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

During the year under review the company continued to be an investment holding company in the Deutsche Post DHL Group and the provider of loan finance to fellow UK subsidiaries. Interest income is generated by the company on these loans (note 5).

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.

	2021	2020
	£'000	£'000
(Loss)/profit for the financial year	(85,791)	180,848
Net assets	<u>605,693</u>	<u>701,484</u>

The loss for the financial year is primarily due to the waiver of a loan due from a fellow group undertaking of £135m (note 6) which has been offset by a release of an investment impairment provision against a subsidiary undertaking of £70m (note 10).

The company also received dividend income of £234m from a subsidiary undertaking but subsequently provided £232m (note 10) against the investment value of that subsidiary to reflect the reduction in net assets from the dividend payment. It is the intention to dissolve this subsidiary undertaking once due diligence work has been completed and the necessary clearances have been obtained.

There was also a deferred tax charge for the year of £28m (note 9).

The profit in the previous year was the result of dividend income received from subsidiary undertakings of £260m offset by an increase in investment impairment provisions of £70m and the write off of a loan to a fellow group undertaking of £2.2m.

PRINCIPAL RISKS AND UNCERTAINTIES AND KEY PERFORMANCE INDICATORS (KPI's)

Given the straight forward nature of the business, the directors consider that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The directors are satisfied with the position of the company at the year end and continue to monitor performance.

Risks arising from Brexit

Following the end of the transition period on 31 December 2020, the United Kingdom entered into a new trade agreement with the European Union with effect from 1 January 2021. The directors continue to monitor the impact on the business and will work proactively to resolve any issues as soon as they arise. Measures that may be required as a consequence of such shall be managed as part of our overall, standard risk planning.

**Strategic Report - continued
for the Year Ended 31 December 2021**

COVID-19

The directors have considered the impact of COVID-19 on the operations and current carrying value of the assets held by the company. Whilst there continues to be uncertainty surrounding the development of the virus and any subsequent impact on the assets of the company, principally the investments in subsidiary undertakings and any intercompany funding with other group undertakings, at the date of finalising these financial statements the directors are not aware of any material change in carrying values of the company's assets. The Board will continue to monitor the situation.

SECTION 172 STATEMENT AND STAKEHOLDER ENGAGEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- and the need to act fairly with members of the company.

The directors give careful consideration to the factors set out above in discharging their duties under section 172. As the principal activity of the company is that of a holding company, the directors consider these matters in the wider context of the group structure owned by Exel Limited (refer to note 10 for further information). Further disclosures regarding the approach to s172 can be found on pages 4 and 5 of the Annual Report and Financial Statements of the principal trading entity in the United Kingdom, DHL Supply Chain Limited, and on pages 3 and 4 of the Annual Report and Financial Statements of DHL Services Limited, the principal employment company of the UK subsidiaries of Exel Limited.

ON BEHALF OF THE BOARD:



S Fink - Director

Date: 23 June 2022

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2021.

FUTURE DEVELOPMENTS

The existing activity of the business is expected to continue in future.

GOING CONCERN

The directors have carried out a going concern assessment which takes in to account any further potential impact of COVID-19 on the company. The principal activity of the company is to provide equity and debt finance to subsidiary undertakings and the company funds these activities utilising surplus funds deposited by other UK group subsidiaries (see note 12), which are renewed on a periodic basis. The company also participates in the Deutsche Post DHL Group's centralised treasury arrangements and so shares banking arrangements with its parent and other group undertakings. The company can draw on these arrangements for funds up to the predefined limits should the need to access a short term working capital facility arise, or the need for longer term loan funding be required in the future. Given the nature of the company's operations, outside of its obligations to service its intergroup indebtedness and settle the UK sub-group's corporation tax liabilities, the company has limited committed cash outflow over the next 12 months and any further investments in or loans advanced to subsidiaries are expected to be funded by the existing deposits from other UK subsidiaries or the existing facility arrangements provided by Deutsche Post DHL Group's treasury function.

Given the company's ultimate reliance on the funding provided by Deutsche Post DHL Group's treasury function, in addition the directors have sought and received written confirmation from Deutsche Post AG of its intention to continue to provide the company with access to sufficient funding to enable it to meet its obligations for a period of at least 12 months from the date these financial statements were approved. On this basis 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.

EMPLOYEE ENGAGEMENT

The company has no direct employees of its own however a statement regarding the employee engagement for the employees in the company's subsidiary companies can be found in the Report of the Directors of DHL Services Limited.

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 DHL Group financial risk policies, and implemented by the company's finance department.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

FINANCIAL RISK MANAGEMENT –continued

The company's operations expose it to a variety of financial risks that include the effects of liquidity and credit risk and interest rate cash flow risk. The company does not use derivative financial instruments.

Liquidity and credit risk

The company's debt profile is largely short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. A substantial part of the debt finance is provided by fellow subsidiary undertakings. Loans are made to fellow group undertakings. The net assets of these entities are reviewed on a regular basis and when appropriate an impairment provision is recognised.

Interest rate cash flow risk

The company has interest bearing liabilities. The company has a policy of generally borrowing from fellow subsidiary undertakings at market rates. The directors will review the appropriateness of this policy should the company's operations change significantly in size or nature, or the Deutsche Post DHL Group policies for financing group undertakings change.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2021 was £10,000,000.

The total distribution of dividends for the year ended 31 December 2020 was £nil.

The directors recommend that no final dividend be paid (2020: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

S Fink
J Smith
M Trimm

Other changes in directors holding office are as follows:

R Taylor – appointed 1 June 2021
T Kühl – resigned 15 July 2021
M Lin – appointed 24 September 2021
H Hanche – resigned 24 September 2021
J Nava – resigned 31 December 2021
S Resnick – appointed 1 January 2022

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

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 2006. The indemnity was in force throughout the financial year and is currently in force.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

Under changes introduced by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI 2018/1155'), large unquoted companies are now obliged to report their UK energy use and associated greenhouse gas ('GHG') emissions in their annual reports.

Exel Limited does not register any emissions data or energy usage, and consequently there is nothing to disclose in this annual report. The majority of operations in the United Kingdom DHL Supply Chain business are included in the annual report of DHL Supply Chain Limited, where the relevant disclosures under SECR can be found.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Report of the Directors - continued
for the Year Ended 31 December 2021**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS -
continued**

The directors 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.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is 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 a director 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, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
S Fink - Director

Date: 23 June 2022

Independent auditors' report to the members of Exel Limited

Report on the audit of the financial statements

Opinion

In our opinion, Exel Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Exel Limited - continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Exel Limited - continued

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to failure to comply with taxation regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiries of management, walkthrough procedures to understand and evaluate the controls designed to prevent and detect irregularities and fraud, and consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions made by management in their accounting estimates, for example in relation to the impairment of investments and debtors;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, posted by unusual users and journal entries with specific defined descriptions;
- review of Board minutes and legal expenses to identify any inconsistencies with other information provided by management; and
- incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

Independent auditors' report to the members of Exel Limited - continued

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Steven Kentish (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
24 June 2022

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Statement of Comprehensive Income
for the Year Ended 31 December 2021**

	Note	2021 £'000	2020 £'000
Income from shares in group undertakings		244,220	260,000
Other interest receivable and similar income	5	4,900	6,333
Interest payable and similar charges	6	(2,787)	(5,436)
Amounts written back to investments	7	70,000	-
Amounts written off investments	7	(232,307)	(70,000)
Other operating charges		(136,593)	(2,181)
OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	(52,567)	188,716
Tax on (loss)/profit on ordinary activities	9	(33,224)	(7,868)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(85,791)	180,848

There are no items of other comprehensive income other than the (loss)/profit for the financial year (2020: £nil).

CONTINUING OPERATIONS

All results relate to continuing operations.

The notes on pages 15 to 49 form part of these financial statements.

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Balance Sheet
as at 31 December 2021**

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Investments	10	<u>353,005</u>	<u>515,312</u>
CURRENT ASSETS			
Debtors	11	714,611	610,854
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(399,566)	(390,806)
NET CURRENT ASSETS		<u>315,045</u>	<u>220,048</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		668,050	735,360
PROVISIONS FOR LIABILITIES	13	(62,357)	(33,876)
NET ASSETS		<u>605,693</u>	<u>701,484</u>
CAPITAL AND RESERVES			
Called up share capital	15	85,345	85,345
Share premium account		179,374	179,374
Capital redemption reserve		105,972	105,972
Retained earnings		<u>235,002</u>	<u>330,793</u>
EQUITY		<u>605,693</u>	<u>701,484</u>

The financial statements on pages 12 to 49 were approved by the Board of Directors on 23 June 2022 and signed on its behalf by:


.....
R Taylor - Director

The notes on pages 15 to 49 form part of these financial statements.

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2020	85,345	179,374	105,972	149,326	520,017
Changes in equity					
Write back unclaimed dividends	-	-	-	619	619
Profit for the financial year	-	-	-	180,848	180,848
Balance at 31 December 2020	85,345	179,374	105,972	330,793	701,484
Changes in equity					
Dividends	-	-	-	(10,000)	(10,000)
Loss for the financial year	-	-	-	(85,791)	(85,791)
Balance at 31 December 2021	85,345	179,374	105,972	235,002	605,693

The share premium account represents the premium amount, over and above the nominal value, on any shares issued in prior years.

The capital redemption reserve was created in 1998 following the company's issue of bonus redeemable B shares of 65 ¼ pence for each existing ordinary share of 25 pence held at that time. The redeemable B shares were redeemed in 2005.

Retained earnings represents accumulated comprehensive income/loss for the year and prior years.

During the prior year the company received a return of capital in the form of unclaimed dividends relating to when the company acted as the parent company for the Exel plc group.

The notes on pages 15 to 49 form part of these financial statements.

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

General information

Exel Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office changed on 1 October 2021 from Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN to Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA.

Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and in accordance with the Companies Act 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparing the financial statements

Going concern

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 UK accounting standards.

The directors have carried out a going concern assessment which takes in to account any further potential impact of COVID-19 on the company. The principal activity of the company is to provide equity and debt finance to subsidiary undertakings and the company funds these activities utilising surplus funds deposited by other UK group subsidiaries (see note 12), which are renewed on a periodic basis. The company also participates in the Deutsche Post DHL Group's centralised treasury arrangements and so shares banking arrangements with its parent and other group undertakings. The company can draw on these arrangements for funds up to the predefined limits should the need to access a short term working capital facility arise, or the need for longer term loan funding be required in the future. Given the nature of the company's operations, outside of its obligations to service its intergroup indebtedness and settle the UK sub-group's corporation tax liabilities, the company has limited committed cash outflow over the next 12 months and any further investments in or loans advanced to subsidiaries are expected to be funded by the existing deposits from other UK subsidiaries or the existing facility arrangements provided by Deutsche Post DHL Group's treasury function.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of preparing the financial statements – continued

Going concern – continued

Given the company's ultimate reliance on the funding provided by Deutsche Post DHL Group's treasury function, in addition the directors have sought and received written confirmation from Deutsche Post AG of its intention to continue to provide the company with access to sufficient funding to enable it to meet its obligations for a period of at least 12 months from the date these financial statements were approved. On this basis 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.

The principal accounting policies adopted by the company are set out below and are consistent with those of the previous year.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company is a wholly-owned subsidiary of Deutsche Post AG, a company incorporated in Germany, 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 consolidated financial statements under the terms of Section 401 of the Companies Act 2006. These financial statements are the company's separate financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1.12:

- the requirements of Section 7 statement of Cash Flows and paragraph 3.17(d) of FRS 102 the requirements of Section 4.12(a)(iv) Statement of Financial Position FRS 102 paragraph for providing a reconciliation of the number of shares outstanding at the beginning and end of the period
- the requirements of Section 33.7 regarding the disclosure of key management personnel compensation in total
- the requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c) regarding the disclosure of financial instruments

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of preparing the financial statements – continued

Financial Reporting Standard 102 - reduced disclosure exemptions - continued

The company has also taken advantage of the exemption granted under Section 33.1A of FRS 102 from the disclosure of related party transactions with other wholly owned members of the group.

Taxation

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

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 resulted in an obligation to pay more tax in the future or 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 substantively 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 certain other entities resident in the UK which are wholly owned subsidiary undertakings of the Deutsche Post DHL Group (the "Tax Group"). As a result, the company has undertaken to discharge the UK corporation tax liabilities on behalf of the Tax Group, and benefit from any tax recoverable due to the members of the Tax Group. Accordingly, the company recognises the Tax Group's net UK corporation tax charge or credit in its statement of comprehensive income and the Tax Group's corporation tax liability or asset in its balance sheet.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxation - continued

(ii) Deferred tax - continued

Where deferred tax liabilities have arisen within the Tax Group a charge or credit is recognised in the company's statement of comprehensive income and an indemnification liability is recognised in its balance sheet. This policy was effective from 1 January 2017. The company does not recognise deferred tax assets arising within the Tax Group as the right to receive the benefit of their reversal only crystallises when recognised in current tax.

Foreign currencies

All transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling on the balance sheet date. Exchange differences arising on foreign currency transactions are included in the statement of comprehensive income.

The company's functional and presentation currency is the pound sterling.

Fixed asset investments

Fixed asset investments include investments in subsidiary undertakings, interests held in fellow group undertakings and investments in jointly controlled entities.

Fixed asset investments that are basic financial instruments as defined by FRS 102 are included in the balance sheet at cost less provision for any impairment in value. Investment carrying values are reviewed for impairment at the balance sheet date and periodically when there has been an indication of potential impairment. Fixed asset investments that do not meet the criteria for being defined as basic financial instruments are carried at fair value with any gain or loss taken to the statement of comprehensive income. Increases in fair value recognised through the statement of comprehensive income are subsequently transferred from retained earnings to a non-distributable revaluation reserve.

Dividend income

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Amounts owed by group undertakings

As a part of its normal activity, the company provides loan financing to members of the group. The loans are advanced on commercial terms, taking into account the borrower's status and financial position. The company periodically assesses the ability of the borrower to repay the loans, and provisions are made where necessary and recognised in other operating charges. If the borrower's financial position subsequently improves or the loan is repaid then any excess provision is released and recognised in other operating income. The loans are repayable on demand and for the purposes of FRS 102 are regarded as basic financial instruments.

Amounts owed to group undertakings

As a part of its normal activity, the company receives deposits from members of the group. The deposits are advanced on commercial terms and are repayable on demand. For the purposes of FRS 102 the deposits are regarded as basic financial instruments.

Called up share capital

Ordinary shares are classified as equity.

Contingencies

Contingent liabilities arise as a result of past events when

- (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or
- (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Contingencies - continued

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The company has chosen to adopt the Sections 11 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other debtors and cash and bank balances are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party.

(ii) Financial liabilities

Basic financial liabilities, including other payables and loans from fellow group companies that are classified as debt, are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The company makes an estimate of the recoverable value of amounts receivable from group undertakings by performing an annual impairment review based on the net assets of those group companies. See note 11 for the net carrying amount of the debtors.

Impairment of investments

The company holds investments in fellow group undertakings which are reviewed for impairment on a regular basis. The carrying value of the investments is compared to the underlying net asset value and an impairment recognised in the statement of comprehensive income where appropriate. See note 10 for the net carrying amount of the investments.

The following is considered to be a critical accounting judgement:

Taxation

The company has entered into an agreement regarding UK corporation tax payments and refunds with certain other entities resident in the UK which are wholly owned subsidiary undertakings of the Deutsche Post DHL Group (the "Tax Group"). As a result, the company has undertaken to discharge the UK corporation tax liabilities on behalf of the Tax Group, and benefit from any tax recoverable due to the members of the Tax Group. Accordingly, the company recognises the Tax Group's net UK Corporation tax charge or credit in its statement of comprehensive income, and the Tax Group's corporation tax liability or asset in its balance sheet. The tax charge or credit may have a significant impact on the results of the company and the balance sheet position. See note 9 for further details on the tax charge.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****4. STAFF COSTS**

There were no staff costs for the year ended 31 December 2021 nor for the year ended 31 December 2020.

The company had no employees (2020: none).

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Interest receivable from group undertakings	4,652	6,333
Other interest receivable	<u>248</u>	<u>-</u>
	<u>4,900</u>	<u>6,333</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £'000	2020 £'000
Interest payable to group undertakings	<u>2,787</u>	<u>5,436</u>

7. AMOUNTS WRITTEN (BACK TO)/OFF INVESTMENTS

	2021 £'000	2020 £'000
Amounts written back to investments (note 10)	<u>(70,000)</u>	<u>-</u>
Amounts written off investments (note 10)	<u>232,307</u>	<u>70,000</u>

8. OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The fees in respect of audit services were borne by DHL Supply Chain Limited. The fees have not been recharged to the company in the current or prior years. The amount of remuneration received by the auditors in respect of the audit for Exel Limited was £106,316 (2020: £98,899). There have been no non-audit services in the year (2020: £nil).

Other operating charges includes a cost of £135,000,000 (2020: £2,160,000) related to the write off of a loan to a fellow group undertaking and £1,572,500 (2020: £nil) for amounts provided against third party loans.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

8. OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION - continued

Directors' emoluments

	2021	2020
	£'000	£'000
Aggregate emoluments	1,636	1,837
Company contributions paid to money purchase pension schemes	100	91

Retirement benefits are accruing three (2020: two directors) under defined benefit schemes, and to five (2020: four directors) under a money purchase scheme. Shares in the ultimate parent company, Deutsche Post AG, are accruing to six (2020: five directors) under long-term incentive plans. Six (2020: five directors) exercised share options in the ultimate parent company, Deutsche Post AG, during the year.

H Hanche to the date of his resignation received no remuneration specifically relating to services for the company and is therefore not included in the directors' emoluments stated above.

M Lin received no remuneration specifically relating to services for the company and is therefore not included in the directors' emoluments stated above.

Highest paid director

	2021	2020
	£'000	£'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	831	944
Company contributions paid to money purchase pension schemes	40	43

The highest paid director exercised share options during the year and is accruing benefits under a long term incentive plan. The highest paid director had 33,124 shares (2020: 28,104 shares) in the ultimate parent company, Deutsche Post AG, receivable under long-term incentive plans.

Directors' emoluments are paid by subsidiary undertakings and were not recharged to the company in the current or prior years.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2021 £'000	2020 £'000
Current tax		
UK corporation tax liability borne for other group undertakings	7,255	-
Adjustments in respect of prior years	(2,512)	(430)
Total current tax	<u>4,743</u>	<u>(430)</u>
Deferred tax		
Adjustments in respect of prior years	(594)	-
Impact of changes in tax rates	(81)	-
Deferred tax liability borne for other group undertakings	28,481	8,298
Movement on UK deferred tax not recognised	675	-
Total deferred tax	<u>28,481</u>	<u>8,298</u>
Total tax on (loss)/profit on ordinary activities	<u>33,224</u>	<u>7,868</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES - continued

Reconciliation of tax charge

The tax assessed for the year differs from (2020: differs from) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£'000	£'000
(Loss)/profit on ordinary activities before taxation	<u>(52,567)</u>	<u>188,716</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(9,988)	35,856
Effects of:		
Expenses not allowable for UK tax	56,788	13,710
Income not subject to UK tax	(46,402)	(49,400)
Transfer pricing adjustments	(449)	(772)
Adjustments in respect of prior years	(594)	-
Impact of changes in tax rates	(81)	-
Movement on deferred tax not recognised	675	-
Group relief surrendered to other group companies	51	606
Tax charge for the year	<u>-</u>	<u>-</u>
UK tax liability borne for other group undertakings	7,255	-
Deferred tax liability borne for other group undertakings	28,481	8,298
Adjustments in respect of prior years	<u>(2,512)</u>	<u>(430)</u>
Total tax on (loss)/profit on ordinary activities	<u>33,224</u>	<u>7,868</u>

The standard rate of corporation tax is 19% (2020: 19%).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES - continued

Deferred tax

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

	2021	2020
	Unrecognised	Unrecognised
	£'000	£'000
Trading and other losses	410	-
Net deferred tax asset	410	-

Deferred tax is calculated at rates between 19% and 25% (2020: 19%).

The company had a net deferred tax asset at 31 December 2021 of £410,000 (2020: £nil) 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.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements based on when the timing differences are expected to reverse.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

10. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2021 and 31 December 2021	<u>634,312</u>
PROVISIONS	
At 1 January 2021	119,000
Increase in the year	232,307
Released in the year	<u>(70,000)</u>
At 31 December 2021	<u>281,307</u>
NET BOOK VALUE	
At 31 December 2021	<u>353,005</u>
At 31 December 2020	<u>515,312</u>

During the year the company made an impairment provision against the investment in DHL Exel Supply Chain Limited of £232,307,000 due to the significantly reduced net assets of the subsidiary company. It is the intention to dissolve DHL Exel Supply Chain Limited once due diligence work has been completed and necessary clearances have been obtained.

During the year the company released the provision of £70,000,000 against the investment in Ocean Overseas Holdings Limited due to the improved financial position of the subsidiary company.

The following companies are the subsidiary undertakings and interests held directly and indirectly by the company. For the investments held directly by the company, unless otherwise stated, 100% of the ordinary share capital is owned, the subsidiaries operate in their country of incorporation, and have a 31 December year end:

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS - continued****Directly held investments**

Company	Nature of business	Registered office address
Subsidiary undertakings		
DHL Exel Supply Chain Limited	Investment company	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Exel Investments Limited	Investment company	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Exel Overseas Limited	Investment company	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Ocean Overseas Holdings Limited	Investment company	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Interests		
Exel Holdings Limited (1.96% owned)	Investment company	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS - continued****Indirectly held investments**

Company	% held through direct and indirect holding	Registered office address
Bahwan Exel LLC	44.1%	PO Box Hai Al Mina, Muscat, Oman
Circuit Logistics Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
Connect Logistics Services Inc	100%	Miller Thomson LLP at 3000, 700 - 9th Avenue SW, Calgary AB T2P 3V4, Canada
DHL Distribution (Thailand) Limited	27.02%	76/1 M.6 Talingchan- Bangbuathong Rd., Bangrakpatana Bangbuathong, Nonthaburi 11110, Thailand
DHL eCommerce Solutions (Vietnam) Joint Stock Company	10%	Floor 7, eTown 3, 364 Cong Hoa, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam
DHL Exel Logistics (Malaysia) Sdn. Bhd	49%	30-1, Jalan Kuchai Maju 8, Jalan Kuchai Lama, 58200 Kuala Lumpur, Malaysia

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Exel Slovakia s.r.o.	100%	Dialnicna 2, Senec, 90301, Slovakia
DHL Exel Supply Chain Portugal S.A.	99.70%	Quinta da Verdelha, Alverca Park Corpo B Fração 5, 2619-501, Alverca do Ribatejo, Lisboa, Portugal
DHL GBS (UK) Limited	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
DHL Global Forwarding (Kenya) Limited	100%	Simi Industrial Park, Mombasa Road, PO Box 27734 - 00506, Nairobi, Kenya
DHL Global Forwarding (Uganda) Limited	100%	P O Box 7180, Kampala, Uganda, 137 Jinja Rd., KPS Yard, Banda-Kireka Stretch, Kampala, Uganda
DHL Global Forwarding Japan K.K.	100%	12F Riverside Sumida, 1-19-9 Tsutsumi-dori, Sumida-ku, Tokyo, 131-0034, Japan

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Global Forwarding Pakistan (Private) Limited	100%	187/E, Block 2, PECHS, Shahrah-e- Quaideen, Karachi 75400, Pakistan
DHL Global Match (UK) Limited	100%	DHL, Hurricane Way, Axis Park, Langley, Slough, SL3 8AG
DHL ISC (Hong Kong) Limited	100%	4/F EDGE, Nos 30-34 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong
DHL Logistics (Cambodia) Limited	100%	Regency Complex A, No:298, 1st Floor, Unit 8A, Mao Tse Tung Blvd, Tumnup Toeuk quarter, Chamkar Mon District, Phnom Penh, Cambodia
DHL Logistics Ghana Limited	0.475%	Patrice Lumumba Street, Airport Residential Area, Airport, Accra, Ghana

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments – continued**

Company	% held through direct and indirect holding	Registered office address
DHL Logistics Kenya Limited	99%	George Williamson House, 5th Floor, 4th Ngong Avenue, PO Box 78609, 00507, Viwandani, Nairobi, Kenya
DHL Logistics Medhub	99.98%	Zone Franche Logistique du Port Tanger, Med- Zone Franche Ksar Al Majaz, Entrepôt 61A lot 61, Tangers, Morocco
DHL Logistics Morocco S.A.	99.98%	179, Rue Ammar Riffi, Casablanca, Morocco
DHL Logistics Private Limited	51.02%	201A, Silver Utopia, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai 400059, India
DHL Logistics Tanzania Limited	100%	Plot 32/34 Nyerere Road, PO Box 6381, Dar es Salaam, United Republic of Tanzania

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Metropolitan Logistics SC Mexico S.A. de C.V.	99.96%	Autopista Mexico- Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitlán Izcalli, C.P. 54740, Mexico
DHL Pensions Investment Fund Limited	74%	Howard House, 40-64 St Johns Street, Bedford, MK42 0DJ
DHL Properties (Malaysia) Sdn. Bhd.	69.98%	30-1, Jalan Kuchai Maju 8, off Jalan Kuchai Lama,, 58200 Kuala Lumpur, Malaysia
DHL Real Estate (UK) Limited	100%	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EA
DHL SCM K.K.	100%	4-7-35 Kita- Shinagawa, Shinagawa-ku, Tokyo, Japan
DHL Services Limited	100%	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EA

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Supply Chain (Argentina) S.A.	100%	Tucuman 1 piso 4, Buenos Aires, Argentina
DHL Supply Chain (Chile) S.A.	99.98%	Av del Valle sur #524, 502 Comuna Huechuraba, Santiago, Region Metropolitana, Chile
DHL Supply Chain (Ireland) Limited	100%	Arthur Cox, Arthur Cox, Building, Earlsfort Terrace, Dublin 2, Ireland
DHL Supply Chain (Korea) Limited	100%	Superior Tower 10F, Teheran-ro 528, Gangnam-gu, Seoul, Republic of Korea
DHL Supply Chain (Malaysia) Sdn. Bhd	100%	30-1, Jalan Kuchai Maju 8, off Jalan Kuchai Lama,, 58200 Kuala Lumpur, Malaysia
DHL Supply Chain (South Africa) (Pty) Limited	100%	23 Spier Road, Plumbago Business Park, Glen Erasmia Kempton Park, Johannesburg, Gauteng, 1619, South Africa

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Supply Chain (Vietnam) Limited	100%	11th floor, e-town 2 Building, 364 Cong Hoa St., Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam
DHL Supply Chain (Vietnam) Transportation JSC	51%	Unit G.4A, Ground Floor, e-town Building, No. 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam
DHL Supply Chain Colombia SAS	100%	Cra. 96B No. 25D-55 Bogota, Colombia
DHL Supply Chain India Private Limited	51.02%	702, 7th Floor, Tower B, 247 Park LBS Road, Above Home Town, Vikhroli (W), Mumbai 400083, India
DHL Supply Chain International Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
DHL Supply Chain K.K.	100%	4-7-35 Kita- Shinagawa, Shinagawa-ku, Tokyo, Japan

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DHL Supply Chain Kenya Limited	100%	George Williamson House, 5th Floor, 4th Ngong Avenue, PO Box 78609, 00507, Viwandani, Nairobi, Kenya
DHL Supply Chain Limited	100%	Solstice House, 251 Midsummer, Boulevard, Central Milton Keynes, MK9 1EA
DHL Supply Chain Management Philippines Inc	100%	Lot 4 Block Phase 7a, Laguna Technopark Inc, Binan, Laguna, Philippines
DHL Supply Chain Philippines Inc	100%	DHL Logistics Centre, Km. 17, West Service Road, South, Superhighway, Bicutan, Paranaque City, Philippines
DHL Trustees Limited	74%	Howard House, 40-64 St Johns Street, Bedford, MK42 0DJ

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
DigiHaul Limited	60%	1&2 Carters Row, The Melon Ground, Hatfield Park, Hatfield, Hertfordshire, AL9 5NB
Dimalsa Logistics Inc	100%	Building C, Royal Ind Park Z.C., 00962 Tacano, Puerto Rico
Drakensberg Logistics (Pty) Limited	50%	37 Main Road, Nambithi Industrial Area, Ladysmith, Kwa- Zulu Natal, 3370, South Africa
DSC Healthcare Trustees Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
EC Logistica S.A.	51%	Av. Leandro N. Alem 693, 1.piso C1001 AAB, Ciudad Autonoma de Buenos, Buenos Aires, Argentina
Elder Dempster Limitada	99%	Avenida 4 De Fevereiro, N.23/24 Luanda, Angola

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
EV Logistics	50%	5111 272nd Street, Langley, British Columbia, V3K 3C1, Canada
Exel Consolidation Services Limited	0.007%	4/F, EDGE, Nos. 30-34 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong
Exel Contract Logistics (Nigeria) Limited	0.11%	PLOT 6, Cocoa Industrial Road, Ogba Industrial Estate, Lagos, Nigeria
Exel Holdings Limited	98.04%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Exel Logistics (Zambia) Limited	100%	c/o Howard & Marietta Legal Practitioners, Stand 8235, Nangwenya Road, P/Bag RW175X, Lusaka, Zambia
Exel Logistics Property Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Exel Logistics Services Lanka (Private) Limited	100%	DHL Logistics Park, 81/3 , Negombo Road, Peliyagoda, Sri Lanka
Exel Saudia LLC	100%	PO Box 19, Al Khobar, 31952, Saudi Arabia
Exel Secretarial Services Limited (dissolved 7 June 2022)	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Exel Supply Chain Services (South-Africa) (Pty) Limited	100%	PO Box 558, Kempton Park 1620, South Africa
Exel UK Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Freight Indemnity and Guarantee Company Limited (dissolved 7 June 2022)	100%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Fuels Transport & Logistics Limited	49%	Solstice House, 251 Midsummer, Boulevard, Central Milton Keynes, MK9 1EA

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Gori Chile S.A	1%	Avda Santa Clara 301, Oficina 3803, Huechuraba, Santiago, Region Metropolitana, Chile
Harmony Logistics Canada Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
Health Solutions Team Limited	50%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Hull Blyth (Angola) Limited	100%	Eastworth House, Eastworth Road, Chertsey, Surrey, KT16 8SH
Hyperion Properties Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Joint Retail Logistics Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Manton Wood Management Company Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Matrix Logistics Services Limited	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
McGregor Cory Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
NFC International Holdings (Ireland)	100%	10 Earlsfort Terrace, Dublin 2, Dublin, D02 T380, Ireland
Power Europe (Cannock) Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Power Europe (Doncaster) Limited (in liquidation)	100%	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Power Europe Development Limited (in liquidation)	100%	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Power Europe Development No. 3 Limited (in liquidation)	100%	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Power Europe Limited (in liquidation)	100%	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Power Europe Operating Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
PT. DHL Supply Chain Indonesia	90%	G'edung Perkantoran dan, Pergudangan Graha Intirub, Intirub Business Park Lt.I, Jl.Cililitan Besar, 454 RT.07 RW.011 Kel., Kebon Pala, Kec. Makasar, Jakarta Timur, Indonesia
Relay Logistics Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
Rosier Distribution Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Saturn Integrated Logistics Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
Supla S.A.	5%	Av Calle 26 #92-32 LT 5, G5 Piso 2 OFC 3 Municipio, Bogota D.C., Colombia

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Tafinor S.A.	100%	Calle Juan Carlos Gómez 1390, Montevideo, Uruguay
Tankfreight Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
TCL Supply Chain (Canada) Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
Tibbett & Britten Egypt Limited	50%	57, El Giza St., Gamaa Tower, 10th Floor, Giza Governorate, Egypt
Tibbett & Britten Group Canada Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada
Tracker Logistics Inc	100%	Miller Thomson LLP at 3000, 700 - 9th Avenue SW, Calgary AB T2P 3V4, Canada
Tradeteam Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. INVESTMENTS – continued****Indirectly held investments - continued**

Company	% held through direct and indirect holding	Registered office address
Trans Care Fashion SARL	100%	179, Rue Ammar Riffi, Casablanca, Morocco
Trillium Supply Chain Inc	100%	90 Matheson Blvd. West, Suite 111, Mississauga, Ontario L5R 3R3, Canada
Trucks and Child Safety Limited	100%	Solstice House, 251 Midsummer Boulevard, Milton Keynes, MK9 1EA
Ukhozi Logistics (Pty) Limited	40%	10 Patrick Road, Jet Park, Boksburg 1459, South Africa
Zenith Logistics Inc	100%	40 King Street West, Suite 5800, Toronto ON M5H 3S1, Canada

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. DEBTORS

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	714,611	604,803
Corporation tax	-	4,231
Other debtors	-	1,820
	<u>714,611</u>	<u>610,854</u>

Amounts owed by group undertakings include £466,360,000 (2020: £567,565,000) of unsecured interest bearing loans. The rate of interest applicable is LIBOR plus a margin of 60 basis points (0.60%). The interest reference rate has changed to Sterling Overnight Index Average from 1 January 2022. Amounts owed by group undertakings are made on a one year rolling basis and are repayable on demand.

Amounts owed by group undertakings also include £248,251,000 (2020: £37,238,000) on which the interest rate is the Sterling Overnight Index Average plus 68 basis points (0.68%) (2020: minus 30 basis points (0.3%)). This interest spread is determined once a year ex ante.

Other debtors includes an amount of £1,572,500 (2020: £1,700,000) relating to a loan made to a third party which has been fully provided against. The rate of interest applicable is 0.7% and the loan is repayable by instalments. The amount includes £1,275,000 (2020: £1,445,000) falling due after more than one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	395,764	389,380
Corporation tax	2,398	-
Other creditors	734	756
Accruals and deferred income	670	670
	<u>399,566</u>	<u>390,806</u>

Amounts owed to group undertakings include £395,362,000 (2020: £389,107,000) of unsecured interest bearing loans. The rate of interest applicable is LIBOR plus a margin of 45 basis points (0.45%). The interest reference rate has changed to Sterling Overnight Index Average from 1 January 2022.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

13. PROVISIONS FOR LIABILITIES

	Indemnification liability £'000
At 1 January 2021	33,876
Charge to tax on (loss)/profit on ordinary activities	28,481
At 31 December 2021	<u>62,357</u>

The company has now recognised an indemnification liability at 31 December 2021 of £62,357,000 (2020: £33,876,000) in respect of the deferred tax liabilities arising in other entities in the Tax Group.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements based on when the timing differences are expected to reverse.

14. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

Financial assets that are debt instruments measured at amortised cost

	Note	2021 £'000	2020 £'000
Amounts owed by group undertakings	11	714,611	604,803
Other debtors	11	<u>-</u>	<u>1,820</u>
		<u>714,611</u>	<u>606,623</u>

Financial liabilities measured at amortised cost

	Note	2021 £'000	2020 £'000
Amounts owed to group undertakings	12	395,764	389,380
Other creditors	12	734	756
Accruals and deferred income	12	<u>670</u>	<u>670</u>
		<u>397,168</u>	<u>390,806</u>

EXEL LIMITED (REGISTERED NUMBER: 00073975)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****15. CALLED UP SHARE CAPITAL**

	2021 £'000	2020 £'000
Allotted and fully paid		
307,243,675 (2020: 307,243,675) ordinary shares of 27 7/9 pence each	<u>85,345</u>	<u>85,345</u>

There were no allotments during the year.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

16. DIVIDENDS

	2021 £'000	2020 £'000
Equity - ordinary		
Interim paid: £0.03 (2020: nil) per 27 7/9 pence share	<u>10,000</u>	<u>-</u>

17. RELATED PARTY TRANSACTIONS

The following transactions took place between related parties:

Related party	Nature of service	Income 2021 £'000	Purchases 2021 £'000	Balance at 31 December 2021 £'000
DigiHaul Limited	Loan funding and interest	<u>49</u>	<u>-</u>	<u>8,032</u>

Related party	Nature of service	Income 2020 £'000	Purchases 2020 £'000	Balance at 31 December 2020 £'000
Health Solutions Team Limited	Loan funding and interest	<u>-</u>	<u>25</u>	<u>-</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. RELATED PARTY TRANSACTIONS - continued

Exel Limited indirectly holds a 60% interest in the majority controlled entity DigiHaul Limited and indirectly holds a 50% interest in the jointly controlled entity Health Solutions Team Limited.

The related party loan funding in 2021 relates to an unsecured interest bearing loan receivable from the related party. The rate of interest applicable was LIBOR plus a margin of 60 basis points (0.60%). The interest reference rate has changed to Sterling Overnight Index Average from 1 January 2022.

In 2020 the related party loan funding related to a number of unsecured interest bearing deposits from the related party totalling £6,970,703 which were all repaid during the year. The rate of interest applicable was LIBOR plus a margin of 60 basis points (0.60%). No such deposits were made during 2021.

18. 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) The company has guaranteed certain bank and other credit facilities of subsidiary undertakings and performance bonds amounting at the year end to £345,331 (2020: £333,079). These guarantees are typically for overdraft facilities, certain operating leases and customs and airline credit facilities.

(c) The company has issued letters of support to fellow group undertakings.

(d) 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. The balance of VAT payable by the VAT group as at 31 December 2021 was £40,074,000 (2020: £61,321,000).

(e) Up until January 2016 the company held an interest in the King's Cross Central Limited Partnership ("the Partnership") through ownership of units in the King's Cross Central Property Trust ("the Trust"). HMRC are conducting an enquiry into the tax returns of the Partnership which covers periods for which the company was a unit holder in the Trust. Should the enquiry result in additional taxable income of the Partnership for these periods, then a tax liability may arise in the company based on the proportion of units held in the Trust (13.5% until April 2015 and 6% until January 2016). Based on the latest available information, this is not expected to have a material effect on the company.

EXEL LIMITED (REGISTERED NUMBER: 00073975)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

19. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Deutsche Post International BV. 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.