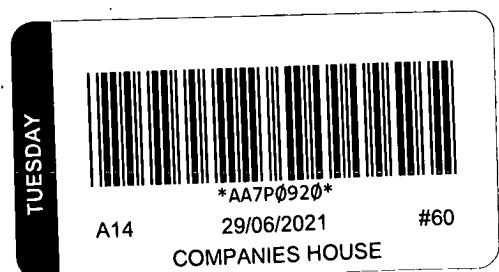


REGISTERED NUMBER: 01505040 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2020
for
EXEL HOLDINGS LIMITED**



EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Contents of the Financial Statements
for the Year Ended 31 December 2020**

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EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Company Information
for the Year Ended 31 December 2020**

DIRECTORS:

S Fink
T Kühl
R Taylor
M Trimm
D Woolliscroft

REGISTERED OFFICE:

Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

REGISTERED NUMBER:

01505040 (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 HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Strategic Report
for the Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

During the year the company was an investment holding company in the Deutsche Post DHL Group.

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.

	2020	2019
	£'000	£'000
Profit/(loss) for the financial year	<u>5,422</u>	<u>(49,393)</u>

The profit for the year is primarily the result of a £4,895,923 write back of an investment impairment provision (note 9). The loss in the previous year was the result of an increase in investment impairment provision of £50,000,000.

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

Given the straightforward nature of the business, the directors consider that a discussion of the main business risks and analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

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.

**Strategic Report - continued
for the Year Ended 31 December 2020**

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 Holdings Limited (refer to note 9 for further information). In this context the stakeholders the Board has identified with regard to this are:

- Our customers and partners
- Our employees
- Our investor
- Our suppliers

The Board sees the value of building and maintaining strong relationships with these stakeholders and is committed to delivering regular and sustained ways of doing so, with a view to this activity providing an exceptional customer experience as well as delivering value for the shareholder.

The company views the interactions with these stakeholders through the lens of our Deutsche Post DHL Group corporate strategy. As part of the Deutsche Post DHL Group, the subsidiaries are fully engaged with the Deutsche Post DHL Group strategy 2025 'Delivering excellence in a digital world', which focuses on strengthening what we do best; our core businesses. It provides a framework for accelerating, especially digital, opportunities to enhance our customer services and continuously improve our processes. Strategy 2025 retains the following stated aims for the business to be:

The Provider of choice

- Focusing on excellent execution and standard operating procedures is at the core of our operating systems. This is embodied in our First Choice methodology.
- We listen to the voice of our Customers by using the Net Promoter Approach and conducting Customer satisfaction surveys regularly.
- With our GoGreen programme, we strive for zero emissions logistics for the group by 2050 (Mission 2050).

**Strategic Report - continued
for the Year Ended 31 December 2020**

SECTION 172 STATEMENT AND STAKEHOLDER ENGAGEMENT - continued

The Employer of choice

- With our Certified program we have created a team of Certified experts and a best-in-class culture. We will increase the focus on Certified modules for management and for supervisors.
- We focus on feedback in both directions as a key tool to drive personal development.
- With our GoHelp and GoTeach programmes, we are committed to social responsibility towards the societies we operate in. The GoHelp programme helps people in need following natural disasters. Since 2005 the group has joined forces with the United Nations to run a disaster management program. The GoTeach programme aims to enhance the employability of young people, regardless of their origins, socioeconomic background or position.
- We share a joint management approach expressed in our Leadership Attributes. We train and assess our management in these attributes.

The Investment of choice

- We are constantly looking at generating more value for all stakeholders by building new capabilities/skills and through the use of technology, automation, and data analytics.
- We drive our business in a responsible and ethical way. We will enhance policies, processes, training, and communication measures to embed compliance further in daily business life while especially focusing on suppliers and business partners.

Community

Today, corporate sustainability means more than 'good corporate citizenship'. It encompasses the entirety of a business, from the sustainability of the business model through 'Environmental, Social and Governance' (ESG) performance. Making progress in those areas is just as important as delivering our financial targets, because they strengthen the resilience of our company's core. This is demonstrated by placing our Living responsibility approach at the centre of our strategy. This includes the GoTeach, GoGreen and GoHelp initiatives.

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

ON BEHALF OF THE BOARD:


Steven Fink (Jun 25, 2021 11:44 GMT+1)

.....
S Fink - Director
Date: 25 June 2021

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Report of the Directors
for the Year Ended 31 December 2020**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2020.

FUTURE DEVELOPMENTS

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

GOING CONCERN

The directors have carried out a going concern assessment which takes into account the forecast impact of COVID-19 on the company. The forecasts that support this assessment suggest that the company will continue to be able to meet its obligations as they fall due throughout the period of twelve months from the date of these financial statements. The company 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 should the need to access a short term working capital facility arise. Consequently, 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.

FINANCIAL RISK MANAGEMENT

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

The policies approved by the Board of Directors, which are consistent with Deutsche Post DHL Group financial risk policies, are implemented by the company's finance department.

Liquidity 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 a fellow subsidiary undertaking.

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

No dividends were distributed for the year ended 31 December 2020 or 31 December 2019. The directors recommend that no final dividend be paid.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Report of the Directors – continued
for the Year Ended 31 December 2020**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

S Fink
T Kühl
M Trimm
D Woolliscroft

Other changes in directors holding office are as follows:

R Taylor – appointed 1 June 2021

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. The company also provided an indemnity for its directors, 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.

POST BALANCE SHEET EVENTS

Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021.

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 HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Report of the Directors – continued
for the Year Ended 31 December 2020**

**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:

Steven Fink
Steven Fink (Jun 25, 2021 11:44 GMT+1)

S Fink – Director
Date: 25 June 2021

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

Independent auditors' report to the members of Exel Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Exel Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit 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 2020; the Statement of Comprehensive Income and the 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.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

Independent auditors' report to the members of Exel Holdings 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 2020 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.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

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

Responsibilities for the financial statements and the audit - 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 Companies Act 2006 and taxation regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 regulation and fraud;
- challenging assumptions made by management in their accounting estimates, for example in relation to impairment of debtors and investments;
- identifying journal entries, in particular any journal entries posted with unusual account combinations, posted by unexpected users and journal entries with specific defined descriptions;
- review of 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 HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

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

Responsibilities for the financial statements and the audit - 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.

L Gartside

Lucy Gartside (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
25 June 2021

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Statement of Comprehensive Income
for the Year Ended 31 December 2020**

	Note	2020 £'000	2019 £'000
Income from shares in group undertakings		1	-
Amounts written back to investments	5	4,896	-
Amounts written off investments	5	-	(50,000)
OPERATING PROFIT/(LOSS)	6	4,897	(50,000)
Other interest receivable and similar income	7	525	607
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		5,422	(49,393)
Tax on profit/(loss) on ordinary activities	8	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		5,422	(49,393)

There are no items of other comprehensive income other than the profit for the financial year (2019: £nil).

CONTINUING OPERATIONS

All results relate to continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Balance sheet
as at 31 December 2020**

	Note	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	9	<u>14,649</u>	<u>9,754</u>
CURRENT ASSETS			
Debtors	10	<u>40,613</u>	<u>40,088</u>
		40,613	40,088
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(37)	(39)
NET CURRENT ASSETS		<u>40,576</u>	<u>40,049</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>55,225</u>	<u>49,803</u>
CAPITAL AND RESERVES			
Called up share capital	12	5,100	5,100
Share premium account		49,900	49,900
Retained earnings/(Accumulated losses)		<u>225</u>	<u>(5,197)</u>
EQUITY		<u>55,225</u>	<u>49,803</u>

The financial statements on pages 12 to 26 were approved by the Board of Directors on 25 June 2021 and signed on its behalf by:

Thorsten Kühl
Thorsten Kühl (Jun 25, 2021 13:46 GMT+2)

.....
T Kühl - Director

The notes on pages 15 to 26 form part of these financial statements.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Statement of Changes in Equity
for the Year Ended 31 December 2020**

	Called up share capital £'000	Share premium account £'000	Retained earnings/ Accumulated losses £'000	Total £'000
Balance at 1 January 2019	5,000	-	44,196	49,196
Changes in equity				
Issue of share capital	100	49,900	-	50,000
Loss for the financial year	-	-	(49,393)	(49,393)
Balance at 31 December 2019	5,100	49,900	(5,197)	49,803
Changes in equity				
Profit for the financial year	-	-	5,422	5,422
Balance at 31 December 2020	5,100	49,900	225	55,225

The share premium account represents the premium amount, over and above the nominal value, on shares issued in the previous year.

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

The notes on pages 15 to 26 form part of these financial statements.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

General information

Exel Holdings Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN.

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

The financial statements have been prepared on the going concern basis, under the historical cost convention.

The directors have carried out a going concern assessment which takes into account the forecast impact of COVID-19 on the company. The forecasts that support this assessment suggest that the company will continue to be able to meet its obligations as they fall due throughout the period of twelve months from the date of these financial statements. The company 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 should the need to access a short term working capital facility arise. Consequently, 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 400 of the Companies Act 2006. These financial statements are the company's separate financial statements.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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 year 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 a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the years 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.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxation - continued

(ii) Deferred tax - continued

The company has entered into an agreement regarding UK corporation tax payments and refunds with Exel Limited, a fellow group undertaking. Under the terms of this agreement, Exel Limited has undertaken to discharge the current and future UK corporation tax liabilities on behalf of, and benefit from any tax recoverable due to, the company. The company recognises its UK corporation tax and deferred tax liabilities, but as such liabilities are indemnified by Exel Limited, an indemnification asset for the amount due from Exel Limited is also recognised in the balance sheet until the amount is settled on the company's behalf. The net tax charge on the profit or loss on ordinary activities that has been indemnified by Exel Limited is netted against the indemnification amount due from Exel Limited in the statement of comprehensive income.

As a result of the above agreement with Exel Limited, the company will not benefit from the reversal of deferred tax assets and consequently these are not recognised in the financial statements.

Foreign currencies

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

Dividend income

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

Fixed asset investments

Fixed asset investments 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 when there has been an indication of potential impairment. In circumstances where the impairment provision is no longer required it is released back to the statement of comprehensive income.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

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 trade and 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 trade and other payables, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

(ii) Financial liabilities - continued

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.

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 10 for the net carrying amount of the debtors and the associated impairment provision.

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 net asset value and an impairment recognised in the statement of comprehensive income where appropriate. See note 9 for the net carrying amount of the investments and the associated impairment provision.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

4. STAFF COSTS

There were no staff costs for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The company had no employees (2019: none).

5. AMOUNTS WRITTEN BACK TO/(WRITTEN OFF) INVESTMENTS

	2020	2019
	£'000	£'000
Amounts written back to /(written off) investments (note 9)	<u>4,896</u>	<u>(50,000)</u>

6. OPERATING PROFIT/(LOSS)

The operating result is stated after (crediting)/charging:

	2020	2019
	£'000	£'000
Gains on waiver of intercompany loans	<u>(1)</u>	<u>-</u>
Loss on disposal of investments (note 9)	<u>1</u>	<u>-</u>

The emoluments of S Fink, T Kühl and M Trimm are included in the aggregate of directors' emoluments disclosed in the financial statements of Exel Limited. D Woolliscroft received no remuneration (2019: £nil) specifically for services provided to the company.

Key management personnel include the directors of fellow group undertakings within the UK and Germany. The key management personnel receive no payment from the company with regard to these services.

The fees in respect of audit services were borne by DHL Supply Chain Limited. The amount of remuneration received by the auditors in respect of the audit for Exel Holdings Limited was £11,698 (2019: £10,913). There have been no non-audit services in the year (2019: £nil).

7. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£'000	£'000
Interest receivable from group undertakings	<u>525</u>	<u>607</u>

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

A fellow group undertaking, Exel Limited, has undertaken to discharge the company's liability to UK corporation tax. The company has also agreed that Exel Limited will benefit from any tax recoverable. The indemnification asset arising under this agreement, if any, is disclosed in other debtors.

	2020 £'000	2019 £'000
Current tax	-	-
Deferred tax	-	-
Total tax on profit/(loss) on ordinary activities	-	-

Reconciliation of tax charge

The tax assessed for the year differs from (2019: differs from) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit/(loss) on ordinary activities before taxation	<u>5,422</u>	<u>(49,393)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,030	(9,385)
Effects of:		
Expenses not allowable for UK tax	-	9,500
Income not subject to UK tax	(930)	-
Group relief claimed from other group companies	<u>(100)</u>	<u>(115)</u>
Total tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

The standard rate of corporation tax is 19% (2019: 19%).

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****9. INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 1 January 2020	153,793
Disposals	(3,207)
	<hr/>
At 31 December 2020	150,586
	<hr/>
PROVISIONS	
At 1 January 2020	144,039
Amounts written back	(4,896)
Release on disposal	(3,206)
	<hr/>
At 31 December 2020	135,937
	<hr/>
NET BOOK VALUE	
At 31 December 2020	14,649
	<hr/>
At 31 December 2019	9,754
	<hr/>

During the year dormant subsidiaries National Carriers Limited, Ocean Group Investments Limited and Tibbett & Britten Applied Limited were dissolved. National Carriers Limited had a cost value of £2 and a loss of £2 was recognised on dissolution. Ocean Group Investments Limited had a cost value of £250,000 on which a provision had been made of £249,900. A loss of £100 was recognised on dissolution. Tibbett & Britten Applied Limited had a cost value of £2,956,785 on which a provision of £2,955,693 had been made. A loss of £1,092 was recognised on dissolution.

During the year the company released £4,895,923 of the impairment provision against the carrying value of DHL Real Estate (UK) Limited to reflect the financial position of the subsidiary company.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****9. INVESTMENTS - continued**

The following companies are the subsidiary undertakings and interests held directly or 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:

Directly held investments

Company	Nature of business	Registered office address
Subsidiary undertakings		
DHL Real Estate (UK) Limited	Real estate services	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EA
Exel Secretarial Services Limited	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Freight Indemnity and Guarantee Company Limited	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Hull Blyth (Angola) Limited (99.927% owned)	Provision of manpower and ancillary services to the oil industry in Angola	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Hyperion Properties Limited (99.97% owned)	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Joint Retail Logistics Limited	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Rosier Distribution Limited	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****9. INVESTMENTS – continued****Directly held investments - continued**

Company	Nature of business	Registered office address
Subsidiary undertakings - continued		
Tradeteam Limited	Logistics	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Trucks and Child Safety Limited	Dormant	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN

Interests

DHL Services Limited (0.1% owned)	Provision of staff	Solstice House, 251 Midsummer Boulevard, Central Milton Keynes, MK9 1EA
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Indirectly held investments

Company	% held through direct and indirect holding	Registered office address
Compass Point (St Ives) Management Company Limited	99.97%	Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN
Elder Dempster Limitada	98.93%	Avenida 4 De Fevereiro, N.23/24 Luanda, Angola

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.

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****10. DEBTORS**

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	<u>40,613</u>	<u>40,088</u>

Amounts owed by group undertakings are stated after provisions for impairment of £565,721 (2019: £565,721).

Amounts owed by group undertakings include an unsecured interest bearing loan of £38,010,000 (2019: £38,026,000). The rate of interest applicable is LIBOR plus a margin of 45 basis points (0.45%). The loan is repayable on demand.

Amounts owed by group undertakings also include £1,619,000 (2019: £1,061,000) on which the interest rate is the Sterling Overnight Index Average minus 30 basis points (0.3%).

Remaining amounts owed by group undertakings are non-interest bearing and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	<u>37</u>	<u>39</u>

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

12. CALLED UP SHARE CAPITAL

	2020	2019
	£'000	£'000
Allotted and fully paid		
5,100,000 (2019: 5,100,000) ordinary shares of £1 each	<u>5,100</u>	<u>5,100</u>

There were no allotments during the year (2019: none).

During the previous year 100,000 shares were issued to Exel Limited, a fellow group undertaking for £50,000,000, including a share premium of £49,900,000. All shares carry equal voting rights of 1 vote per share.

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

EXEL HOLDINGS LIMITED (REGISTERED NUMBER: 01505040)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

13. CONTINGENT LIABILITIES

(a) The company has guaranteed certain bank and other credit facilities of subsidiary undertakings and performance bonds amounting at the year end to £7,327,454 (2019: £7,252,189). These guarantees are typically for overdraft facilities and certain operating leases.

(b) 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 2020 was £61,321,000 (2019: £44,841,000).

14. POST BALANCE SHEET EVENTS

Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021.

15. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Exel Investments Limited. The company's ultimate parent undertaking and controlling party is Deutsche Post AG, a company incorporated in Germany. This is the only group of which the Company is a member for which group financial statements are prepared. Copies of the financial statements of Deutsche Post AG can be obtained from Deutsche Post AG, Headquarters, Investor Relations, 53250 Bonn, Germany.