

TNT Europe Limited

Annual report and financial statements

31 December 2009

Registered number 1098754

MONDAY



A1CO7LTW

A14

19/07/2010

71

COMPANIES HOUSE

Contents

Directors' report for the year ended 31 December 2009	1-2
Independent auditors' report to the members of TNT Europe Limited	3
Profit and loss account for the year ended 31 December 2009	4
Balance sheet as at 31 December 2009	5
Notes to the financial statements for the year ended 31 December 2009	6-10

Directors' report for the year ended 31 December 2009

The Directors present their report, together with the audited financial statements of the Company, for the year ended 31 December 2009

Principal activities

The Company acts as a financing company. The Directors do not envisage initiating any material departure from these activities in the foreseeable future.

Review of business and future developments

On 15 June 2009, the Company was repaid dividends from TNT Holdings (UK) Limited relating to prior periods. Dividends of £758,900,000 were repaid to the Company, in this respect. Dividends of the same amount were subsequently paid by the Company to TNT Holdings (UK) Limited. As part of a solvency statement for TNT Holdings (UK) Limited, it was agreed in writing, that the Company would not demand repayment of the outstanding loan with TNT Holdings (UK) Limited within the next 18 months.

On 24 June 2009, £65,773,000 of loan receivable from TNT Holdings (UK) Limited was waived. £482,000,000 of loan payable to TNT SPC was transferred to TNT Holdings (UK) Limited following a series of distributions by way of dividend in specie.

Principal risks and uncertainties

Due to the fact that the Company does not trade, there are not deemed to be any risks or uncertainties that are not mitigated by internal financing policies.

Key performance indicators ("KPI's")

As the Company does not trade and its affairs are sufficiently simple, the Directors believe that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The Company has both interest bearing assets and interest bearing liabilities. As the Company's financing and operations are internal to the TNT UK group, any exposure to price, interest, credit, cash flow and liquidity risks are mitigated by internal policies and controls.

Results and dividend

The results for the year show a pre tax loss of £60,624,000 (2008 profit £2,937,000) as described on page 4. Dividends totalling £758,944,000 (2008 £nil) have been paid during the year.

Post balance sheet events

There were no significant events subsequent to the balance sheet date.

Directors

The Directors of the Company who served during the year ended 31 December 2009, and up to the date of signing the financial statements, were as follows:

JC Downing
GF Ginty (resigned 31 March 2009)
MF O'Rourke (appointed 31 March 2009)

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved


(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

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

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them, as auditors to the Company, will be proposed at the annual general meeting.

By order of the board


J C Downing
Director

PO Box 99
Stubbins Vale Mill
Stubbins Vale Road
Ramsbottom
Bury
Lancashire
BL8 9BF
28 June 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNT EUROPE LIMITED

We have audited the financial statements of TNT Europe Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Jackie Bradshaw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
1 July 2010

Profit and loss account
for the year ended 31 December 2009

		Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
	<i>Note</i>		
Administrative expenses		(5)	(5)
Operating loss	2	(5)	(5)
Exceptional expense	4	(65,773)	-
Interest receivable and similar income	5	8,665	18,941
Interest payable and similar charges	6	(3,511)	(15,999)
(Loss)/profit on ordinary activities before taxation		(60,624)	2,937
Tax on (loss)/profit on ordinary activities	7	(1,441)	(837)
(Loss)/profit for the financial year	11	(62,065)	2,100

In the current and preceding financial year the Company made no material acquisitions and had no discontinued operations

In accordance with paragraph 27 of FRS 3, a statement of total recognised gains and losses is not provided as all such items are included within the profit and loss account above

In the current and preceding financial year there was no material difference between the (loss)/profit reported in the profit and loss account and the (loss)/profit on an unmodified historical cost basis

The movement on reserves is detailed in note 11 on page 9 of these financial statements

Balance sheet
as at 31 December 2009

	<i>Note</i>	31 December 2009		31 December 2008	
		£000	£000	£000	£000
Current assets					
Debtors	8	11,233		551,953	
		<hr/>		<hr/>	
		11,233		551,953	
Creditors: amounts falling due within one year	9	(1,442)		(480,097)	
		<hr/>		<hr/>	
Net current assets			9,791		71,856
			<hr/>		<hr/>
Net assets			9,791		71,856
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	10	525		525	
Profit and loss account	11	9,266		71,331	
		<hr/>		<hr/>	
Total shareholder's funds	12	9,791		71,856	
		<hr/>		<hr/>	

These financial statements on pages 4 to 10 were approved by the Board of Directors on 28 June 2010 and were signed on its behalf by


J.C. Downing
Director

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom. Accounting policies have been consistently applied and the accounts have been prepared on a going concern basis under the historical cost accounting convention.

Taxation (including deferred taxation)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average 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 an undiscounted basis.

Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard number 1 (revised 1996) to prepare a cash flow statement as 90 percent or more of the voting rights of the Company's shares are controlled by TNT NV. The consolidated financial statements of TNT NV, which include the Company, are publicly available.

2 Operating loss

Operating loss is stated after charging the following

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Fees payable to the Company's auditor for the audit of the Company's Annual Accounts	5	5

3 Directors and employees

The Company has no employees other than the Directors (2008: none). During the current and preceding financial year the Directors have neither received nor waived any remuneration for their services to the Company and have not accrued any pension benefits under either defined benefit or defined contribution schemes (2008: £nil).

4 Exceptional expense

On 24 June 2009, £65,773,000 of loan receivable from TNT Holdings (UK) Limited was waived, as part of a TNT restructuring programme.

5 Interest receivable and similar income

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Interest receivable from group undertakings	8,665	18,779
Interest receivable on overpaid tax	-	162
	<u>8,665</u>	<u>18,941</u>

Notes to the financial statements for the year ended 31 December 2009 (continued)

6 Interest payable and similar charges

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Interest payable to group undertakings	3,458	15,999
Interest on corporation tax	53	-
	<u>3,511</u>	<u>15,999</u>

7 Tax on (loss)/profit on ordinary activities

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
<i>Current tax:</i>		
UK corporation tax at 28% (2008 28.5%)	1,441	837
Tax on (loss)/profit on ordinary activities	<u>1,441</u>	<u>837</u>

Taxation has been provided at current rates on the (loss)/profits earned for the periods covered by the Company Financial statements

There is no deferred tax, either recognised or unrecognised (2008 £nil)

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is based on the standard rate of corporation tax in the UK of 28% (2008 28.5%)

The tax assessed for the year is higher (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 28.5%)

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Tax on (loss)/profit on ordinary activities (continued)

Tax reconciliation to UK statutory rate

The table shown below reconciles the UK statutory tax charge to the Company's current tax charge

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
(Loss)/profit on ordinary activities before tax	(60,624)	2,937
Tax on (loss)/profit on ordinary activities multiplied by the standard rate in the UK of 28% (2008 28.5%)	(16,975)	837
Effects of		
- Non allowable loan waiver	18,416	-
Current tax on (loss)/profit on ordinary activities	<u>1,441</u>	<u>837</u>

Factors that may affect future tax charges

There are no known factors that may affect future tax charges

8 Debtors

	31 December 2009 £000	31 December 2008 £000
Amounts owed by group undertakings	11,233	551,953

Amounts owed by group undertakings are unsecured and repayable within one year. Loan interest is charged at 6 month Libor plus 0.225%. Current account interest is charged at 12 month Libor plus 0.75%.

9 Creditors: amounts falling due within one year

	31 December 2009 £000	31 December 2008 £000
Amounts owed to group undertakings	1	479,260
Corporation tax	1,441	837
	<u>1,442</u>	<u>480,097</u>

Amounts owed to group undertakings are unsecured and repayable within one year. Loan interest is charged at 1 month Libor plus 0.225%. Current account interest is at 12 month Libor plus 0.75%.

The company has a policy of transferring the liability for tax losses surrendered by way of group relief through the inter-company account at the appropriate tax rate. This transfer is done after the tax return filing date when the group tax position is more certain. Any subsequent adjustments are made as required.

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Called up share capital

	31 December 2009 £000	31 December 2008 £000
<i>Authorised</i>		
100,000,000 Ordinary shares of 1p each	1,000	1,000
50,000,000 Ordinary "B" Redeemable non-voting shares of 1p each	500	500
	<u>1,500</u>	<u>1,500</u>
<i>Allotted, issued and fully paid.</i>		
52,477,920 Ordinary shares of 1p each	<u>525</u>	<u>525</u>

11 Profit and loss account

	£000
As at 1 January 2009	71,331
Loss for the financial year	(62,065)
	<u>9,266</u>
As at 31 December 2009	<u>9,266</u>

12 Reconciliation of movement in total shareholder's funds

	31 December 2009 £000	31 December 2008 £000
(Loss)/profit for the financial year	(62,065)	2,100
Regularisation of prior year dividend	758,944	-
Dividend paid (note 14)	(758,944)	-
	<u>(62,065)</u>	<u>2,100</u>
Net (decrease)/increase in total shareholder's funds	71,856	69,756
Opening total shareholder's funds	<u>9,791</u>	<u>71,856</u>
Closing total shareholder's funds	<u>9,791</u>	<u>71,856</u>

On 15 June 2009, the Company was repaid dividends from TNT Holdings (UK) Limited relating to prior periods. Dividends of £758.9m were repaid to the Company, in this respect. Dividends of the same amount were subsequently paid by the Company to TNT Holdings (UK) Limited.

13 Post balance sheet events

There were no significant events subsequent to the balance sheet date.

Notes to the financial statements for the year ended 31 December 2009 *(continued)*

14 Dividends

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Dividends paid (2009 £14 46 (2008 £nil))	758,944	-

15 Related party disclosures

The Company has taken advantage of the exemption under Financial Reporting Standard No 8, and has not disclosed transactions with entities that are part of the group, where 100% of the voting rights of these entities are controlled within the group

16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is TNT Holdings (UK) Limited. The ultimate parent undertaking and controlling party of TNT Europe Limited is TNT NV, a company incorporated in the Netherlands, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of TNT NV may be obtained from TNT Investor Relations, PO Box 13000, 1100 KG Amsterdam, The Netherlands.