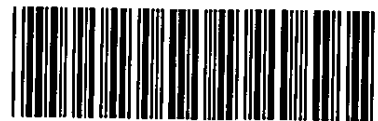


TNT EXPRESS WORLDWIDE (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

THURSDAY



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09/05/2013
COMPANIES HOUSE

TNT EXPRESS WORLDWIDE (UK) LIMITED

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TNT EXPRESS WORLDWIDE (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the provision of aircraft to the Express division of TNT

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £195,000 (2011 - £ 255,000)

The Directors recommend that no dividend be paid (2011 £nil)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Charges continue to be made to the TNT air network for the use of the aircraft. No further changes to the business are planned in the foreseeable future

On 13 December 2012 the Company issued 9,100,000 £1 shares out of its unrealised reserves, as a bonus issue to TNT Express Worldwide Investments Limited. On the same day, share capital of £9,100,000 was cancelled by capital reduction.

On 19 December 2012, the Company issued 7,300,000 £1 shares out of its unrealised reserves, as a bonus issue to TNT Express Worldwide Investments Limited. On the same day, share capital of £7,300,000 was cancelled by capital reduction.

PRINCIPAL RISKS AND UNCERTAINTIES

Competition

The principal activity of the company is the provision of aircraft to the Express division of TNT. However this division operates in a highly competitive market particularly around price and service quality. This results in internal pressures to keep network costs on a very competitive footing and the level of service at a very high level. In order to mitigate this risk the costs are reviewed on a regular basis both at a local and divisional level. It should be noted here that most of the activities of the company were transferred to TNT Airways SA, Belgium in prior periods.

KEY PERFORMANCE INDICATORS (KPIs)

Due to the fact that the Company's 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 interest bearing assets. As the Company's financing and operations are internal to the TNT Express NV group, any exposure to price, interest, credit, cash flow and liquidity risks is mitigated by internal policies and controls.

TNT EXPRESS WORLDWIDE (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

DIRECTORS

The directors who served during the year and upto the date of signing the financial statements were

JC Downing
MF O'Rourke
ADJ Cochrane

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

TNT EXPRESS WORLDWIDE (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 April 2013 and signed on its behalf



JC Downing
Director

TNT EXPRESS WORLDWIDE (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNT EXPRESS WORLDWIDE (UK) LIMITED

We have audited the financial statements of TNT Express Worldwide (UK) Limited for the year ended 31 December 2012 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

TNT EXPRESS WORLDWIDE (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNT EXPRESS WORLDWIDE (UK) LIMITED

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

30 April 2013

TNT EXPRESS WORLDWIDE (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

| | Note | 2012 £000 | 2011 <i>Restated</i> £000 |
|---|------|----------------|---------------------------------|
| TURNOVER | 1 | 6,392 | 6,794 |
| Cost of sales - before exceptional item | | (6,145) | (6,218) |
| Exceptional item - aircraft net book value impairment | | - | (206) |
| Total cost of sales | | (6,145) | (6,424) |
| GROSS PROFIT | | 247 | 370 |
| Administrative expenses | | (198) | (139) |
| OPERATING PROFIT | 3 | 49 | 231 |
| Interest receivable and similar income | 6 | 1,055 | 896 |
| Interest payable and similar charges | 7 | (11) | (11) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,093 | 1,116 |
| Tax on profit on ordinary activities | 8 | (898) | (861) |
| PROFIT FOR THE FINANCIAL YEAR | 15 | 195 | 255 |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

The notes on pages 8 to 15 form part of these financial statements

TNT EXPRESS WORLDWIDE (UK) LIMITED
REGISTERED NUMBER. 1627471

BALANCE SHEET
AS AT 31 DECEMBER 2012

| | Note | £000 | 2012 £000 | 2011 £000 |
|---|------|----------------|---------------|----------------|
| FIXED ASSETS | | | | |
| Tangible assets | 9 | | 10,763 | 13,505 |
| CURRENT ASSETS | | | | |
| Assets held for sale | 10 | - | | 485 |
| Debtors | 11 | 49,988 | | 46,302 |
| Cash at bank and in hand | | 7 | | 9 |
| | | <u>49,995</u> | | <u>46,796</u> |
| CREDITORS: amounts falling due within one year | 12 | <u>(1,805)</u> | | <u>(1,543)</u> |
| NET CURRENT ASSETS | | | <u>48,190</u> | <u>45,253</u> |
| NET ASSETS | | | <u>58,953</u> | <u>58,758</u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 14 | | 1 | 1 |
| Share premium account | 15 | | 49,999 | 49,999 |
| Other reserves | 15 | | 4,777 | 4,777 |
| Profit and loss account | 15 | | 4,176 | 3,981 |
| TOTAL SHAREHOLDERS' FUNDS | 16 | | <u>58,953</u> | <u>58,758</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 April 2013


JC Downing
 Director

The notes on pages 8 to 15 form part of these financial statements

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Turnover

Turnover represents the invoiced value of services provided. It is stated net of value added tax. All turnover is attributable to the Company's principal activity.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|--|---|-------------|
| Aircraft - airframes, engines and landing gear | - | 10-25 years |
| Machinery, vehicles and equipment | - | 3-20 years |

Cost includes the original purchase price of the asset and the costs attributable to bringing it to its working condition for its intended use.

1.4 Taxation (including deferred taxation)

The charge for tax is based on the profit for the year and takes into account tax deferred 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.

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.

1.5 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and all such gains or losses on translation are included in the profit and loss account.

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases are charged to the profit and loss account as incurred on a straight line basis over the life of the lease.

1.7 Assets held for sale

Assets held for sale are disclosed separately in the balance sheet and shown as such subject to the following criteria:

- the asset must be available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets,
- its sale must be highly probable and actively sought and marketed by the appropriate level of management, and actions required to complete the sale should indicate that it is unlikely that the assets will not be sold,
- the sale should be expected to be completed sale within one year from the date of classification.

1.8 Cash flow

The company is exempt from the requirement of FRS 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 Express NV at the balance sheet date. The consolidated financial statements of TNT Express NV, which include the Company, are publicly available.

2. TURNOVER

The Company's turnover and profit on ordinary activities before tax are derived from the provision of network support services to TNT companies in the Netherlands. The analysis by class of business of the company's turnover, operating profit and net assets is set out below.

| | <u>Network TNT</u> <u>International Aviation</u> <u>Services</u> | | <u>Intra Group Financing</u> | | <u>Total</u> | |
|------------------|--|---------------|------------------------------|---------------|---------------|---------------|
| | 2012 £000 | 2011 £000 | 2012 £000 | 2011 £000 | 2012 £000 | 2011 £000 |
| Turnover | <u>6,392</u> | <u>6,794</u> | <u>-</u> | <u>-</u> | <u>6,392</u> | <u>6,794</u> |
| Operating profit | <u>49</u> | <u>231</u> | <u>-</u> | <u>-</u> | <u>49</u> | <u>231</u> |
| Net assets | <u>42,013</u> | <u>40,183</u> | <u>16,940</u> | <u>18,575</u> | <u>58,953</u> | <u>58,758</u> |

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

3. OPERATING PROFIT

The operating profit is stated after charging

| | 2012 £000 | 2011 £000 |
|---|--------------|--------------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 1,867 | 3,047 |
| - held under finance leases | 875 | 875 |
| Operating lease rentals | | |
| - other operating leases | 4,404 | 4,399 |
| Loss on disposal of fixed assets | 56 | 97 |
| Exceptional item - aircraft net book value impairment | - | 206 |
| Fees payable to the Company's auditors for the audit of the annual financial statements | 8 | 3 |
| | <u>8</u> | <u>3</u> |

In 2011 the BAe 146 aircraft held for sale was impaired by £206,000

4. DIRECTORS' EMOLUMENTS

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 (2011 £nil)

5. EMPLOYEES

The company has no employees (2011 - none)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2012 £000 | 2011 £000 |
|--|--------------|--------------|
| Interest receivable from group companies | 1,036 | 896 |
| Interest receivable from HMRC | 19 | - |
| | <u>1,055</u> | <u>896</u> |

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012 £000 | 2011 £000 |
|------------------------------|--------------|--------------|
| On bank loans and overdrafts | 11 | 11 |
| | <u>11</u> | <u>11</u> |

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2012 £000 | 2011 £000 |
|---|--------------|--------------|
| Analysis of tax charge in the year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the year | 647 | 1,279 |
| Adjustments to tax charge in respect of prior periods | 26 | 310 |
| Total current tax | 673 | 1,589 |
| Deferred tax | | |
| Origination and reversal of timing differences | 117 | (768) |
| Change in tax rate | 108 | 40 |
| Total deferred tax (see note 13) | 225 | (728) |
| Tax on profit on ordinary activities | 898 | 861 |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

| | 2012 £000 | 2011 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax | 1,093 | 1,116 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%) | 268 | 296 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 201 | 218 |
| Depreciation in excess of capital allowances | 204 | 720 |
| Adjustments to tax charge in respect of prior periods | 26 | 310 |
| Short term timing difference leading to an increase/(decrease) in taxation | (26) | 45 |
| Current tax charge for the year (see note above) | 673 | 1,589 |

Factors that may affect future tax charges

With effect from 1 April 2012 the main rate of corporation tax was reduced from 26% to 24%

The Finance Act 2012 includes legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 and the deferred tax asset at 31 December 2012 has been re-measured accordingly

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9. TANGIBLE ASSETS

| | Aircraft £000 | Machinery, vehicles and equipment £000 | Total £000 |
|--|------------------|---|---------------|
| Cost | | | |
| At 1 January 2012 and 31 December 2012 | 81,603 | 525 | 82,128 |
| Depreciation | | | |
| At 1 January 2012 | 68,098 | 525 | 68,623 |
| Charge for the year | 2,742 | - | 2,742 |
| At 31 December 2012 | 70,840 | 525 | 71,365 |
| Net book value | | | |
| At 31 December 2012 | 10,763 | - | 10,763 |
| At 31 December 2011 | 13,505 | - | 13,505 |

Assets that are held under finance leases and hire purchase agreements are included within owned assets. The net book values, together with the related cumulative depreciation charge are as follows:

| | As at 31 December 2012 | | As at 31 December 2011 | |
|----------|------------------------|---------------------------------------|------------------------|---------------------------------------|
| | Net book value | Cumulative Depreciation Charged | Net book value | Cumulative Depreciation Charged |
| | £000 | £000 | £000 | £000 |
| Aircraft | 2,773 | 21,737 | 3,648 | 20,862 |

10. ASSETS HELD FOR SALE

The asset held for sale at the previous year end was a BAE146 aircraft, which was surplus to requirements. This aircraft was sold during the year.

| | 2012 £000 | 2011 £000 |
|----------|--------------|--------------|
| Aircraft | - | 485 |

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. DEBTORS

| | 2012 | 2011 |
|---|----------------------|----------------------|
| | £000 | £000 |
| Amounts owed by group undertakings | 48,789 | 44,917 |
| Corporation tax | - | - |
| Other debtors | 721 | 406 |
| Prepayments and accrued income | 80 | 356 |
| Deferred tax asset due after more than one year (see note 13) | 398 | 623 |
| | <u>49,988</u> | <u>46,302</u> |

Amounts owed by group undertakings are unsecured and are repayable on demand. Current account interest is charged at 12 month Libor plus 0.75%.

12 CREDITORS: Amounts falling due within one year

| | 2012 | 2011 |
|------------------------------|---------------------|---------------------|
| | £000 | £000 |
| Corporation tax | 648 | 1,099 |
| Other creditors | 108 | 275 |
| Accruals and deferred income | 1,049 | 169 |
| | <u>1,805</u> | <u>1,543</u> |

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.

13. DEFERRED TAXATION ASSET/(PROVISION)

| | 2012 | 2011 |
|----------------------------------|-------------------|-------------------|
| | £000 | £000 |
| At 1 January 2012 | 623 | (105) |
| (Charge for)/release during year | (225) | 728 |
| | <u>398</u> | <u>623</u> |

The deferred tax asset is made up as follows:

| | 2012 | 2011 |
|--------------------------------|---------------------|---------------------|
| | £000 | £000 |
| Accelerated capital allowances | (379) | (533) |
| Short term timing differences | (19) | (90) |
| | <u>(398)</u> | <u>(623)</u> |

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

14. CALLED UP SHARE CAPITAL

| | 2012 £000 | 2011 £000 |
|--|--------------|--------------|
| Allotted and fully paid | | |
| 100 Ordinary shares shares of £1 each | - | - |
| 900 10% Redeemable preference shares shares of £1 each | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |

The Redeemable Preference shares of £1 each carry a fixed cumulative dividend entitlement of 10% per annum on paid up capital, in any year that the Company may determine to distribute profits. No such dividends were paid in the year or are payable. Upon a winding up or other return of capital, the preference shareholders are entitled to receive an amount equal to the amount paid up on the preference shares held by them, together with any accrued dividend entitlement. The preference shares are redeemable at the Company's option by giving not less than 7 days' notice. The preference shares have no voting rights unless the Company declares, but fails to pay, a preference dividend. The redeemable preference shares are treated as equity in accordance with FRS 25.

15. RESERVES

| | Share premium account £000 | Other reserves £000 | Profit and loss account £000 |
|---------------------|-------------------------------------|---------------------------|------------------------------------|
| At 1 January 2012 | 49,999 | 4,777 | 3,981 |
| Profit for the year | - | - | 195 |
| Bonus issue | - | - | (16,400) |
| Capital reduction | - | - | 16,400 |
| | <u>49,999</u> | <u>4,777</u> | <u>4,176</u> |
| At 31 December 2012 | <u>49,999</u> | <u>4,777</u> | <u>4,176</u> |

Other reserves relate to a capital contribution, in cash, of £4,777,000, received by the Company in 2008.

On 13 December 2012 the Company issued 9,100,000 £1 shares out of its unrealised reserves, as a bonus issue to TNT Express Worldwide Investments Limited. On the same day, share capital of £9,100,000 was cancelled by capital reduction.

On 19 December 2012, the Company issued 7,300,000 £1 shares out of its unrealised reserves, as a bonus issue to TNT Express Worldwide Investments Limited. On the same day, share capital of £7,300,000 was cancelled by capital reduction.

TNT EXPRESS WORLDWIDE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2012 £000 | 2011 £000 |
|-----------------------------|--------------|--------------|
| Opening shareholders' funds | 58,758 | 58,503 |
| Profit for the year | 195 | 255 |
| Bonus issue | 16,400 | - |
| Capital reduction | (16,400) | - |
| Closing shareholders' funds | 58,953 | 58,758 |

17. CONTINGENT LIABILITIES

The Company has entered into a Deed of Composite Guarantee in favour of National Westminster Bank plc in respect of accounts held with NatWest, along with a number of other group undertakings

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS Number 8, and has not disclosed transactions with entities that are part of the group, where 100% or more of the voting rights of these entities are controlled within the group

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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