

# **TNT Express Worldwide (UK) Limited**

## **Reports and financial statements**

31 May 2018

Registered number 1627471



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## **Corporate Information**

### **Directors**

JN Clarke  
R Peto

### **Independent Auditors**

Ernst and Young LLP  
Chartered Accountants and Statutory Auditors  
No.1 Colmore Square  
Birmingham  
B4 6HQ

### **Registered Office**

TNT Express Worldwide (UK) Limited  
TNT Express House  
Holly Lane  
Atherstone  
Warwickshire  
CV9 2RY

## **Strategic report for the year ended 31 May 2018**

The Directors present their Strategic report for TNT Express Worldwide (UK) Limited, for the year ended 31 May 2018.

### **Review of business**

The results for the financial year show a profit before taxation of £1,649,000 (2017: £1,704,000) as shown on page 7.

### **Key performance indicators ("KPIs")**

As the Company no longer trades externally 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.

### **Principal risks and uncertainties**

Due to the fact that the Company no longer trades, there are not deemed to be any risks or uncertainties that are not mitigated by internal financing policies.

The Strategic report was approved by the board and signed on its behalf



**R Peto**  
*Director*

27/11/2018

## **Directors' report for the year ended 31 May 2018**

The Directors present their annual report, and the audited financial statements, for the year ended 31 May 2018.

### **Principal activities and future developments**

The principal activity of the Company during the year was that of a financing Company to group undertakings.

The Directors' of the Company have the intention to commence a members' voluntary liquidation during 2019. Accordingly, the financial statements for the year ended 31 May 2018 have been prepared on a non-going concern basis.

The Directors have re-assessed all asset carrying amounts as at 31 May 2018 (total carrying value £67,394,000) and have presented all asset values in the Balance Sheet on the basis that they are expected to be realised in the short-term and other than in the normal course of business. All amounts of liabilities as at 31 May 2018 (total carrying value £374,000) have been re-assessed on the basis that they are expected to be settled in the short-term. These liabilities are expected to be settled or otherwise discharged at their carrying value. No adjustments to the financial statements have been considered necessary following these assessments.

The Directors' expect that the Company's share capital and reserves will be distributed to the immediate parent undertaking, TNT Express Worldwide Investments Limited. No material proceeds or liabilities are expected to arise following this distribution.

### **Results and dividends**

The Company did not pay a dividend to its parent, TNT Worldwide Investments Limited during the year (2017: £nil).

### **Financial risk management**

The Company has interest bearing assets and liabilities. As the Company's financing and operations are internal to the FedEx Corporation group, any financial risks are mitigated by internal policies and controls.

### **Directors**

The Directors of the Company who served during the year ending 31 May 2018, and up to the date of signing the financial statements, were as follows:

JN Clarke  
R Peto

### **Directors' third party indemnity provision**

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 May 2018 (continued)**

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework.'

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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### **Disclosure of information to auditors**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director, in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Independent Auditors**

In accordance with s485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be will be proposed at the next board meeting.

The Directors' report was approved by the board on 27/11/2018 and signed on its behalf



**R Peto**  
*Director*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TNT EXPRESS WORLDWIDE (UK) LIMITED**

### **Opinion**

We have audited the financial statements of TNT Express Worldwide (UK) Limited for the year ended 31 May 2018 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 May 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter – Basis of preparation**

We draw attention to Note 2 of the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in this respect of this matter.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TNT EXPRESS WORLDWIDE (UK) LIMITED

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

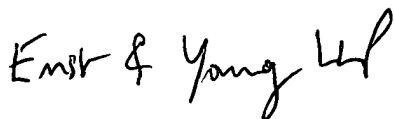
### Auditor's responsibilities for the audit of the financial statements

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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed



Adrian Roberts (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham

29/11/18



## Statement of comprehensive income

		Year ended 31 May 2018 £000	Year ended 31 May 2017 £000
	<i>Note</i>		
<b>Turnover</b>		-	-
<b>Cost of Sales</b>		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(46)	(7)
Operating loss	4	(46)	(7)
Interest receivable and similar income	6	1,730	1,711
Interest payable and similar charges	7	(35)	-
Profit before taxation		1,649	1,704
Tax on profit	8	272	-
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>1,921</b>	<b>1,704</b>

All amounts relate to discontinued operations.

The notes on pages 10 to 14 form part of these financial statements.

## Statement of financial position

		31 May 2018		31 May 2017	
		2018 £000	2018 £000	2017 £000	2017 £000
	<i>Note</i>				
<b>Current assets</b>					
Trade and other receivables due within one year	9	67,394		65,099	
<b>Creditors: amounts falling due within one year</b>	10	(374)		-	
<b>Net current assets</b>			67,020		65,099
<b>Net assets</b>			67,020		65,099
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Share premium	12		49,999		49,999
Other reserves	12		4,777		4,777
Retained earnings			12,243		10,322
<b>Equity attributable to owners of the Company</b>			67,020		65,099

These financial statements on pages 7 to 14 were approved by the board of Directors on 27/11 2018 and were signed on its behalf by:



**R Peto**  
Director

## Statement of changes in equity

### Attributable to owners of the parent

	<b>Called up share capital £000</b>	<b>Share premium £000</b>	<b>Other reserves £000</b>	<b>Retained Earnings £000</b>	<b>Total £000</b>
At 31 May 2016	1	49,999	4,777	8,618	63,395
Profit and total comprehensive income for the financial year	-	-	-	1,704	1,704
At 31 May 2017	<b>1</b>	<b>49,999</b>	<b>4,777</b>	<b>10,322</b>	<b>65,099</b>
Profit and total comprehensive income for the financial year	-	-	-	1,921	1,921
At 31 May 2018	<b>1</b>	<b>49,999</b>	<b>4,777</b>	<b>12,243</b>	<b>67,020</b>

## Notes to the financial statements for year ended 31 May 2018

### 1 General Information

TNT Express Worldwide (UK) Limited is a private limited Company incorporated and domiciled in England and Wales. The principal activities of the Company are set out in the Directors' report on page 3 and 4. The address of the registered office is given on page 1.

### 2 Summary of Significant Accounting Policies

#### *Basis of preparation*

The accounting policies that follow set out the policies that apply in preparing the financial statements for the year ended 31 May 2018. These policies have been consistently applied to all the periods presented, unless otherwise stated.

It is managements' intention to commence and complete a members' voluntary liquidation within 12 months of these financial statements being prepared and before the filing deadline of the next accounting year. As such no other financial statements will be prepared for either of these entities.

The financial statements of the Company have been prepared under the historical cost convention. As explained in the Directors report, the Directors do not consider the Company to be a going concern, and have therefore prepared the financial statements on a non-going concern basis. There has been no financial impairment of the Company's assets as a result of a non-going concern basis of valuation. The financial statements have been prepared in accordance with International Financial Reporting Standards (FRS101) as adopted by the European Union and the Companies Act 2006.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 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 qualifying entity for the purposes of FRS 101. Note 13 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- (f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (g) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
- (h) paragraph 79(a)(iv) of IAS 1; and
- (i) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in pounds sterling, which is the functional currency of the Company under IAS 21. All figures are rounded to the nearest thousand, except where otherwise indicated

## Notes to the financial statements for year ended 31 May 2018 (continued)

### Accounting Policies (continued)

#### *Current and deferred income tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill;
- on an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the financial position date.

The carrying amount of deferred income tax assets is reviewed at each financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

#### *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 financial period end, and all such gains or losses on translation are included in the income statement.

#### *Exemption from preparation of consolidated financial statements*

The financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as the parent to a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group consolidated financial statements as the results of the Company and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, FedEx Corporation, as at 31 May 2018, which is incorporated in the USA.

### 3 Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions in the preparation of the financial statements in line with the applicable standards. 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. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

## Notes to the financial statements for year ended 31 May 2018 (continued)

### Amounts owed by Group undertakings

Management evaluated the recoverability of amounts owed by Group undertakings and concluded that no such indicators were present as at the balance sheet date. The recoverability of amounts owed by Group undertakings are assessed by reference to the financial performance and position of the Group undertaking.

#### 4 Operating loss

Auditors' remuneration in respect of auditing of the financial statements was £7,000 (2017 - £7,000). This has been borne by FedEx Corporation.

#### 5 Staff costs and Directors' emoluments

The Company has no employees other than the Directors (2017: 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 contribution schemes. Remuneration is paid to the Directors by other group entities and is not recharged. The Directors do not consider the amount of time spent on the entity to be material and therefore no information is disclosed.

#### 6 Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from Group undertakings	1,730	1,711
	<hr/>	<hr/>

#### 7 Interest payable and similar charges

	2018 £000	2017 £000
Interest payable	35	-
	<hr/>	<hr/>

#### 8 Tax on profit

##### a) Tax credit in the statement of comprehensive income

	2018 £000	2017 £000
<b>Current tax</b>		
Corporation tax charge on profit for the year	-	-
Adjustments in respect of prior periods-	(272)	-
<b>Total current tax</b>	<hr/> (272) <hr/>	<hr/> - <hr/>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	<hr/> - <hr/>	<hr/> - <hr/>
<b>Total tax credit</b>	<hr/> (272) <hr/>	<hr/> - <hr/>

## Notes to the financial statements for year ended 31 May 2018 (continued)

### b) Reconciliation of income tax credit to accounting profit

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.88%). The table shown below reconciles the UK statutory tax charge to the Company's total tax charge:

	2018 £000	2017 £000
Profit before taxation	1,649	1,704
Charge at 19% (2017: 19.88%)	313	339
Effects of:		
Group loss for nil consideration	(313)	(339)
Adjustments in respect of prior periods	(272)	-
<b>Total tax credit for the year</b>	<b>(272)</b>	<b>-</b>

### Factors that may affect future tax charges

From 1 April 2020 the UK corporation tax will be reduced from 19% to 17%.

## 9 Trade and other receivables

	2018 £000	2017 £000
Amounts due from Group undertakings	66,874	65,099
Other debtors	520	-
	67,394	65,099

Amounts owed by Group undertakings include £55,735,000 (2017: £55,735,000), which relates to a 5 year unsecured loan with TNT UK Limited that commenced on 4 December 2013. Interest is charged at 3 month Libor plus 2.278%.

Amounts due from Group undertakings are unsecured and have no fixed date of repayment but can be recalled at any time. BMG interbank interest is charged at the daily Euribor rate. No interest is credited on current accounts in the year (2017: £nil).

## 10 Creditors

	2018 £000	2017 £000
Amounts owed to other group companies	374	-

## Notes to the financial statements for year ended 31 May 2018 (continued)

### 11 Called up share capital

	No.	2018 £000	2017 £000
<b>Allotted and fully paid</b>			
Ordinary shares of £1 each	100	-	-
10% Redeemable preference shares of £1 each	900	1	1
		<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 ISA 32.

### 12 Reserves

#### *Share premium*

The share premium reserve of £49,999,000 (2017: £49,999,000) represents the amount previously paid for the Company above the par value of its ordinary shares.

#### *Other reserves*

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

### 13 Ultimate parent undertaking

The immediate parent undertaking of TNT Express Worldwide (UK) Limited is TNT Express Worldwide Investments Limited. The ultimate parent undertaking and controlling party at the financial position date was FedEx Corporation, a Company incorporated in the USA, which was the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of the consolidated financial statements of FedEx Corporation may be obtained from 942 South Shady Grove Road, Memphis, Tennessee 38120, USA.