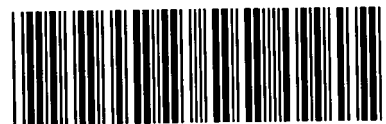


TNT Express Worldwide (UK) Limited

Reports and financial statements

For the year ended 31 May 2021
Registered number 1627471

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*Reports and financial statements
Registered number 1627471
For the year ended 31 May 2021*

Corporate Information

Directors

R Peto
J Davies

Independent Auditors

Ernst and Young LLP
No.1 Colmore Square
Birmingham
B4 6HQ

Registered Office

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

*Reports and financial statements
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For the year ended 31 May 2021*

Strategic report for the year ended 31 May 2021

The Directors present their Strategic report for TNT Express Worldwide (UK) Limited, for the year ended 31 May 2021.

Review of business

The results for the financial year show no profit or loss before taxation (2020: *profit of £344,000*) as shown on page 8.

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.

Section 172 statement


The directors have ensured their compliance with their duties under s.172 (1) in relation to the business and the stakeholders of the business. The primary purpose of the company is that of an investment holding company and has no trading activity or employees directly but is part of a group. Therefore, whilst no specific s.172 (1) decisions were made at a company level which require reporting to the stakeholders of the company, we refer to the s.172 (1) statement and reporting contained within the trading subsidiary, Fedex Express UK Transportation Limited, which sets out the nature of the Group's engagement with stakeholders and their consideration as part of the key decision-making process.

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 by:

J Davies
Director

DocuSigned by:

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Date: 1 March 2022

Directors' report for the year ended 31 May 2021

The Directors present their annual report, and the audited financial statements, for the year ended 31 May 2021.

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 2022. Accordingly, the financial statements for the year ended 31 May 2021 have been prepared on a break-up basis.

The Directors have re-assessed all asset carrying amounts as at 31 May 2021 (total carrying value £76,000) 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. No adjustments to the financial statements have been considered necessary following these assessments.

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

Results and dividends

The results for the financial year show no profit or loss before taxation (2020: profit of £344,000) as shown on page 8.

The Company did not pay any dividends during the year (2020: £68,290,000).

Financial risk management

The Company has no 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 2021, and up to the date of signing the financial statements, were as follows:

R Peto

J Davies (appointed 12 June 2020)

JN Clarke (resigned 12 June 2020)

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.

*Reports and financial statements
Registered number 1627471
For the year ended 31 May 2021*

Directors' report for the year ended 31 May 2021 (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 proposed at the next board meeting.

The Directors' report was approved by the board and signed on its behalf by:

J Davies

Director

DocuSigned by:

James Davies

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Date: 1 March 2022

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 ("the company") for the year ended 31 May 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 12, 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 2021 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice); and
- the financial statements 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. We are independent of the group 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 – financial statements prepared on a basis other than going concern

We draw attention to Note 2 of the financial statements which explains the Directors intend to liquidate the company subsequent to the year end and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.

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 contained within the annual report.

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.

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 course of 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 themselves. 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.

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

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
- 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 group and the parent 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 directors' responsibilities statement 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 group or the parent 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant to be those relating to the UK GAAP, Companies Act 2006 and UK direct and indirect tax regulations. The company has minimal transactions and no employees.

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

- We understood how the company is complying with those frameworks by making enquiries of senior personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce the opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussing with senior personnel and those charged with governance as to the rationale behind the specific accounting transactions. Each financial transaction in the year was verified through the recalculation or agreement to supporting source documentation. Due to the nature of the company, as a holding company of wholly owned group subsidiaries, we have not identified any risk of material misstatement.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included review of board meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of transactions to supporting source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions are recorded in compliance with FRS 101 and where appropriate the Companies Act 2006. Compliance with other operational laws and regulations was covered through journal entry testing, with a focus on journals posted by the key management personnel including directors of the company and journals indicating large, unusual transactions based on our understanding of the business and enquiries of management. We also reviewed board minutes and made enquiry of group legal counsel. A review of payments to detect unrecorded liabilities, contrary evidence and available correspondence with third parties did not identify any non-compliance.

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.

Ernst & Young LLP

Helen McLeod-Jones (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

March 1, 2022

Reports and financial statements
Registered number 1627471
For the year ended 31 May 2021

Statement of comprehensive income

		Year ended 31 May 2021 £000	Year ended 31 May 2020 £000
	<i>Note</i>		
Interest receivable and similar income	6	-	344
Profit before taxation		-	344
Tax on profit	7	65	(65)
Total comprehensive income for the year attributable to owners of the Company		65	279

All amounts relate to discontinued operations.

The notes on pages 11 to 14 form part of these financial statements.


Reports and financial statements
Registered number 1627471
For the year ended 31 May 2021

Statement of financial position

		31 May 2021		31 May 2020	
		2021 £000	2021 £000	2020 £000	2020 £000
	<i>Note</i>				
Current assets					
Cash and cash equivalents		76		76	
Creditors: amounts falling due within one year	8	-		(65)	
Net current assets			76		11
Net assets			76		11
Capital and reserves					
Called up share capital	9		-		-
Share premium	10		-		-
Other reserves	10		-		-
Retained earnings			76		11
Total shareholder's funds			76		11

These financial statements on pages 8 to 14 were approved by the board of Directors and were signed on its behalf by:

J Davies
Director

DocuSigned by:

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Date: 1 March 2022

Reports and financial statements
Registered number 1627471
For the year ended 31 May 2021

Statement of changes in equity

Attributable to owners of the parent

	Called up share capital £000	Share premium £000	Other reserves £000	Retained Earnings £000	Total shareholder's funds £000
At 31 May 2019	1	49,999	4,777	13,245	68,022
Profit and total comprehensive income for the financial year	-	-	-	279	279
Capital reduction	(1)	(49,999)	-	50,000	-
Dividend	-	-	(4,777)	(63,513)	(68,290)
At 31 May 2020	-	-	-	11	11
Profit and total comprehensive income for the financial year	-	-	-	65	65
At 31 May 2021	-	-	-	76	76

Notes to the financial statements for year ended 31 May 2021

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 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The Company has received confirmation of financial support from its ultimate parent company FedEx Corporation, which confirms that the Group, if required, will provide financial support to the Company through until 1 April 2023.

There is a communicated plan to reduce the number of individual operating entities within the UK. As part of this plan, there is an agreed step plan to also reduce the number of individual operating entities within the UK. Under this plan the Company will cease trading in 2022.

As a consequence of the cessation of trade in 2022, the Directors have prepared these financial statements on a break-up basis. No material adjustments have arisen as a result of ceasing to apply the going concern basis.

It is anticipated that a process to begin liquidation of the Company will commence in 2022.

There has been no financial impairment of the Company's assets as a result of a break-up 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 UK-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 12 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with US GAAP 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 paragraph 79(a)(iv) of IAS 1; and
- (h) 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 2021 (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.

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. There are currently no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities at 31 May 2021.

Notes to the financial statements for year ended 31 May 2021 (continued)

4 Operating profit

Auditors' remuneration in respect of auditing of the financial statements was £8,825 (2020: £8,825). This has been borne by FedEx Corporation.

5 Staff costs and Directors' emoluments

The Company has no employees other than the Directors (2020: 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

	2021 £000	2020 £000
Interest receivable from Group undertakings	-	344

7 Tax on profit

a) Tax charge in the statement of comprehensive income

	2021 £000	2020 £000
Current tax		
Corporation tax charge on profit for the year	-	65
Adjustment in respect of prior years	(65)	-
Total current tax	(65)	65
Deferred tax	-	-
Total deferred tax	-	-
Total tax charge	(65)	65

b) Reconciliation of income tax charge to accounting profit

The tax assessed for the year is the lower than (2020: same as) the standard rate of corporation tax in the UK of 19% (2020: 19%). The table shown below reconciles the UK statutory tax charge to the Company's total tax charge:

	2021 £000	2020 £000
Profit before taxation	-	344
Charge at 19% (2020: 19 %)	-	65
Effects of:		
Adjustments in respect of prior periods	(65)	-
Total tax (credit)/charge for the year	(65)	65

Factors that may affect future tax charges

In his budget of 2021, the Chancellor of the Exchequer proposed to increase the standard rate of corporation tax from the current rate of 19% to 25%, effective 1 April 2023. The change was substantively enacted on 24 May 2021, before the balance sheet date, and therefore has affected the carrying value of deferred tax assets and liabilities in the financial statements. The effect of this change is not material.

Notes to the financial statements for year ended 31 May 2021 (continued)

8 Creditors

	2021 £000	2020 £000
Corporation tax	-	65
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9 Called up share capital

	2021 No.	2021 £000	2020 No.	2020 £000
Allotted and fully paid				
Ordinary share of £1	1	-	1	-
10% Redeemable preference share of £1	1	-	1	-
		<hr/>		<hr/>
		-		-

The Redeemable Preference share of £1 each carries 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 shareholder is entitled to receive an amount equal to the amount paid up on the preference share, together with any accrued dividend entitlement. The preference share is redeemable at the Company's option by giving not less than 7 days notice. The preference share has no voting rights unless the Company declares, but fails to pay, a preference dividend. The redeemable preference share is treated as equity in accordance with IAS 32.

On 15 May 2020 the Board approved a reduction of share capital, cancelling and extinguishing 899 cumulative redeemable preference shares and 99 ordinary shares.

10 Reserves

Share premium

The share premium reserve of £1 (2020: £1) represents the amount previously paid for the Company above the par value of its ordinary shares.

Other reserves

Other reserves related to a capital contribution originally made in cash and received by the Company in 2008. This capital contribution of £4,777,000 was repaid in full during the previous financial year. The share premium reserve and other reserve balances were reduced on 15 May 2020, following the Board approved reduction of share capital as shown in the Statement of changes in equity.

11 Dividends

	2021 £000	2020 £000
Dividend on ordinary share	-	68,290
	<hr/>	<hr/>

12 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 www.fedex.com, or 942 South Shady Grove Road, Memphis, Tennessee 38120, USA.