

**TNT Newco**

**Annual report and financial statements**

31 December 2008

Registered number 2604019

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## Directors' report for the year ended 31 December 2008

The Directors present their report, together with the audited financial statements of the Company, for the year ended 31 December 2008.

### Principal activities

The principal activity of the Company during the year was that of a holding company. The Directors do not envisage initiating any material departure from this activity in the foreseeable future.

### Review of business and future developments

The Company reached a settlement in December 2007 (formalised in March 2008) with HM Revenue and Customs in respect of all remaining matters under their Code of Practice 9 enquiry (Hansard). This has resulted in no further impact on the Company's Profit and loss account. A capital contribution, in cash, of £33,500,000 was received by the Company for Hansard tax and related costs of an indirectly held subsidiary company, PSP Sub Holdings BV. The £33,500,000 was passed to the Company's immediate subsidiary company, TNT SPC, by way of a further capital contribution.

### Results and dividend

The results for the year show a pre tax loss of £3,822,000 (2007: pre tax loss of £3,733,000) as described on page 5. There were no dividends paid during the year (2007: £nil). The Directors recommend that no final dividend be paid.

### Principal risks and uncertainties

Due to the fact that the Company does not trade and has financial support from its parent, TNT Holdings (UK) Limited, there are not deemed to be any risks or uncertainties, that are not mitigated by internal financing policies.

### Key performance Indicators

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

### Post balance sheet events

On 8 April 2009, the Company was re-registered as an unlimited company, after passing a special resolution. On 8 April 2009, the Company reduced its share capital by an aggregate amount of £606,315,959, by written special resolution. 371,625,724 of ordinary shares of £1 each were cancelled and £234,690,235 of share premium account was cancelled and extinguished. The resulting £606,315,959 was credited to the Company's profit and loss account.

On 15 June 2009, the Company was repaid dividends from TNT Holdings (UK) Limited relating to prior periods. Dividends of £121.9m were repaid to the Company, in this respect. Dividends of the same amount were subsequently paid by the Company to TNT Holdings (UK) Limited. £1.9m of inter-company receivable and payable with TNT Holdings (UK) Limited was set off and the remaining £68m loan capitalised. 68m ordinary shares of £1 each were allotted and issued to the Company, in this respect. Subsequently, the capital was reduced by special resolution. 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, a number of distributions by way of dividends were made to and from the Company. The Company received £1,170m by way of dividend in specie, from TNT SPC and distributed the resulting loan receivables by way of a dividend in specie to TNT Holdings (UK) Limited.

## **Directors' report for the year ended 31 December 2008 (continued)**

### **Directors**

The Directors of the Company who served during the year ended 31 December 2008, and subsequently, 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.

### **Statement of Directors' responsibilities in respect of the Annual Report and financial statements**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

### **Statement of disclosure of information to Auditors**

The Directors confirm that at the time when this report was approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Directors' report for the year ended 31 December 2008** *(continued)*

### **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

29 June 2009

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNT NEWCO

We have audited the financial statements of TNT Newco for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

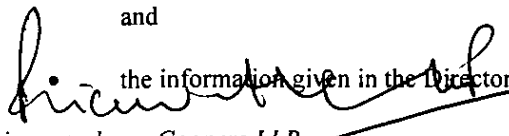
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Directors' Report is consistent with the financial statements.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
East Midlands

Date:

30/6/09

**Profit and loss account**  
*for the year ended 31 December 2008*

	Note	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Administrative expenses		(3)	(3)
<b>Operating loss</b>	2	(3)	(3)
Interest payable and similar charges	4	(3,819)	(3,730)
<b>Loss on ordinary activities before taxation</b>		(3,822)	(3,733)
Tax on loss on ordinary activities	5	1,089	1,120
<b>Loss on ordinary activities after taxation</b>	10	(2,733)	(2,613)

During 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 above profit and loss account.

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

The movement on reserves is disclosed in note 10 on page 11 of these financial statements.

**Balance sheet**  
*as at 31 December 2008*

	<i>Note</i>	<b>31 December 2008</b>		<b>31 December 2007</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	6		938,023		904,523
<b>Current assets</b>					
Debtors	7	3,006		1,923	
<b>Creditors: amounts falling due within one year</b>	8	(69,178)		(65,362)	
<b>Net current liabilities</b>			(66,172)		(63,439)
<b>Net assets</b>			871,851		841,084
<b>Capital and reserves</b>					
Called up share capital	9		371,626		371,626
Share premium account	10		234,690		234,690
Profit and loss account	10		232,035		234,768
Other reserves	10		33,500		-
<b>Total shareholder's funds</b>	11		871,851		841,084

These financial statements on pages 5 to 12 were approved by the board of Directors on 29 June 2009 and were signed on its behalf by:

  
**J C Downing**  
Director



## Notes to the financial statements for the year ended 31 December 2008

### 1 Accounting policies

#### *Basis of accounting*

The financial statements have been prepared in accordance with the Companies Act 1985 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.

#### *Investments*

Investments are stated at the cost of the shares less any provisions for impairment. Investments are reviewed annually and impairments are assessed if the investment's carrying value is greater than the net assets it represents.

#### *Going concern*

As shown by the balance sheet on page 6, the Company has net current liabilities, which primarily relate to amounts owed to group companies. The Company's parent company, TNT Holdings (UK) Limited has indicated that it will continue to provide financial support. Amounts due will not be called in without alternative finance being made available. Consequently, the Directors believe that it is appropriate for these accounts to be drawn up on a going concern basis.

#### *Taxation (including deferred taxation)*

The charge for taxation is based on the profits for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and for accounting purposes. Full provision is made for the tax effects of these differences. Deferred tax assets are recognised to the extent that it is more likely than not that taxable profit will be available against which the asset can be utilised. This requires judgements to be made in respect of the forecast of future taxable income.

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

The financial statements present information about the Company as an individual Company and not about its group.

The Company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group accounts and to deliver them to the Registrar of Companies as the results of the Company and its subsidiaries are consolidated in TNT NV its ultimate parent Company, which is incorporated in The Netherlands.

#### *Cash flow statement*

The Company is exempt from the requirement of Financial Reporting Standard 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.

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 2 Operating loss

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Fees payable to the Company's auditors for the audit of the Company's Annual Accounts	3	3

### 3 Directors and employees

The Company has no employees other than Directors (2007: none). In the current and preceding financial year the Directors neither received nor waived any remuneration for services to the Company and have not accrued any pension benefits under either defined benefit or defined contribution schemes.

### 4 Interest payable and similar charges

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Interest paid to group undertakings	3,819	3,730

### 5 Tax on loss on ordinary activities

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
<b>Current tax</b>		
UK corporation tax at 28.5% (2007: 30%)	1,089	1,120
Tax credit on loss on ordinary activities	1,089	1,120

Taxation has been provided at current rates on the loss earned for the years covered by the Company Financial statements.

There is no deferred tax, either recognised or recognised.

## Notes to the financial statements for the year ended 31 December 2008 *(continued)*

### 5 Tax on loss on ordinary activities *(continued)*

The tax assessed on the loss on ordinary activities for the period is based on the standard rate of corporation tax in the UK of 28.5% (2007: 30%).

#### Tax reconciliation to UK statutory rate

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

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Loss on ordinary activities before tax	3,822	3,733
Tax on loss on ordinary activities before tax at 28.5% (2007: 30%)	1,089	1,120
Current tax credit for the year	1,089	1,120

During the year the income from group companies of £nil (2007: £nil) did not give rise to a tax liability as the provisions of S.208 Income and Corporation Taxes Act 1988 applied.

#### Factors that may affect future tax periods

As from 1 April 2008, the main corporation tax rate has been reduced from 30% to 28%.

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 6 Investments

	Subsidiary Undertakings £000
<b>Cost</b>	
At the beginning of the year	960,561
Additions	33,500
	<hr/>
<b>At the end of the year</b>	<b>994,061</b>
	<hr/>
<b>Provisions</b>	
At the beginning and end of the year	56,038
	<hr/>
<b>Net book amount</b>	
	<b>938,023</b>
	<hr/>
At 31 December 2008	
	904,523
	<hr/>
At 31 December 2007	

The additions during the year, of £33,500,000, relates to capital contributions made to TNT SPC. In the opinion of the directors, the value of the investment is not less than its book value.

The principal company in which TNT Newco has an interest is TNT SPC, a holding company, incorporated in Great Britain of which 100% of the ordinary shares are owned. In the opinion of the Directors the value of the investment is not less than its book value.

### 7 Debtors

	31 December 2008 £000	31 December 2007 £000
Amounts due from group undertakings	1,916	803
Group relief receivable	1,090	1,120
	<hr/>	<hr/>
	<b>3,006</b>	<b>1,923</b>
	<hr/>	<hr/>

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

## Notes to the financial statements for the year ended 31 December 2008 *(continued)*

### 8 Creditors: amounts falling due within one year

	31 December 2008 £000	31 December 2007 £000
Amounts due to group undertakings	69,178	65,362

Amounts owed to group undertakings are unsecured and repayable on demand. Loan interest is charged at 6 month Libor plus 0.225%. Current account interest is charged 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.

### 9 Called up share capital

	31 December 2008 £000	31 December 2007 £000
<b>Authorised:</b>		
500,000,000 (2007: 500,000,000) Ordinary shares of £1 each	500,000	500,000
<b>Allotted, issued and fully paid:</b>		
371,625,726 (2007: 371,625,726) Ordinary shares of £1 each	371,626	371,626

### 10 Reserves

	Share premium account £000	Profit and loss account £000	Other reserves £000
As at 1 January 2008	234,690	234,768	-
Loss for the financial year	-	(2,733)	-
Additions	-	-	33,500
<b>As at 31 December 2008</b>	<b>234,690</b>	<b>232,035</b>	<b>33,500</b>

Other reserves relate to a capital contribution, in cash, of £33,500,000, received by the Company for Hansard tax and related costs of an indirectly held subsidiary company, PSP Sub Holdings BV. The £33,500,000 was passed to the Company's immediate subsidiary company, TNT SPC, by way of a further capital contribution (see note 6).

## Notes to the financial statements for the year ended 31 December 2008 *(continued)*

### 11 Reconciliation of movement in total shareholder's funds

	31 December 2008 £000	31 December 2007 £000
Loss for the financial year	(2,733)	(2,613)
Capital contributions	33,500	-
Net increase/(decrease) in total shareholder's funds	30,767	(2,613)
Opening total shareholder's funds	841,084	843,697
Closing total shareholder's funds	871,851	841,084

### 12 Post balance sheet events

On 8 April 2009, the Company was re-registered as an unlimited company, after passing a special resolution. On 8 April 2009, the Company reduced its share capital by an aggregate amount of £606,315,959, by written special resolution. 371,625,724 of ordinary shares of £1 each were cancelled and £234,690,235 of share premium account was cancelled and extinguished. The resulting £606,315,959 was credited to the Company's profit and loss account.

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On 24 June 2009, a number of distributions by way of dividends were made to and from the Company. The Company received £1,170m by way of dividend in specie, from TNT SPC and distributed the resulting loan receivables by way of a dividend in specie to TNT Holdings (UK) Limited.

### 13 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 90% or more of the voting rights of these entities are controlled within the group.

### 14 Ultimate parent undertaking and controlling party

The immediate parent undertaking is TNT Holdings (UK) Limited. The ultimate parent undertaking and controlling party of TNT Newco is TNT NV, a Company incorporated in The Netherlands. Copies of the consolidated financial statements of TNT NV that include TNT Newco may be obtained from TNT Investor Relations, PO Box 13000, 1100 KG Amsterdam, The Netherlands.