

TNT Newco

Annual report and financial statements

31 December 2009

Registered number 2604019



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Directors' report for the year ended 31 December 2009

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

Principal activities

The 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

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 £68.1m loan capitalised. 68.1m ordinary shares of £1 each were allotted and issued by 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.

Results and dividends

The results for the year show a pre tax profit of £238,876,000 (2008 pre tax loss of £3,822,000) as described on page 4. Dividends of £1,291,612,000 were paid during the year (2008 £nil). The Directors recommend that no final dividend be paid (2008 £nil).

Principal risks and uncertainties

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

Key performance indicators ("KPI's")

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

Financial risk management

The Company has 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

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

Directors

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

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

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

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

Statement of directors' responsibilities

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

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

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

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

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


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

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

Auditors

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

By Order of the Board


J C Downing
Director

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

28 June 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNT NEWCO

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

Respective responsibilities of directors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its 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.

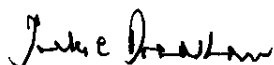
Opinion on other matter prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

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

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



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

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Administrative expenses		(3)	(3)
Operating loss	2	(3)	(3)
Income from fixed asset investments	4	1,169,699	-
Amounts written off investments	8	(929,723)	-
Interest receivable and similar income	5	12	-
Interest payable and similar charges	6	(1,109)	(3,819)
Profit/(loss) on ordinary activities before taxation		238,876	(3,822)
Tax credit on profit/(loss) on ordinary activities	7	308	1,089
Profit/(loss) for the financial year	12	239,184	(2,733)

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 12 on page 10 of these financial statements

Balance sheet
as at 31 December 2009

	<i>Note</i>	31 December 2009		31 December 2008	
		£000	£000	£000	£000
Fixed assets					
Investments	8		8,300		938,023
Current assets					
Debtors	9	1,146		3,006	
Creditors: amounts falling due within one year	10	-		(69,178)	
Net current assets/(liabilities)			1,146		(66,172)
Net assets			9,446		871,851
Capital and reserves					
Called up share capital	11	-			371,626
Share premium account	12	-			234,690
Profit and loss account	12	9,446			232,035
Other reserves	12	-			33,500
Total shareholder's funds	13		9,446		871,851

These financial statements on pages 4 to 11 were approved by the board of Directors on 28 June 2010 and were signed on its behalf by


J.C. Downing
Director

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

1 Accounting policies

Basis of accounting

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

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.

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 400 of the Companies Act 2006 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 number 1 (revised 1996) to prepare a cash flow statement as 90 percent or more of the voting rights of the Company's shares are controlled by TNT NV. The consolidated financial statements of TNT NV, which include the Company, are publicly available.

2 Operating loss

Operating loss is stated after charging the following:

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Fees payable to the Company's auditors for the audit of the Company's Annual Accounts	3	3

3 Directors and employees

The Company has no employees other than Directors (2008: 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.

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

4 Income from fixed asset investments

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Dividends received from subsidiary undertakings	1,169,699	-

5 Interest receivable and similar income

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Interest receivable from group undertakings	12	-

6 Interest payable and similar charges

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Interest payable to group undertakings	1,109	3,819

7 Tax on profit/(loss) on ordinary activities

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Current tax		
UK corporation tax at 28% (2008 28.5%)	308	1,089
Tax credit on profit/(loss) on ordinary activities	308	1,089

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

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

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

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

Tax reconciliation to UK statutory rate

The table shown below reconciles the UK statutory tax (charge)/credit to the Company's current tax credit

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Profit/(loss) on ordinary activities before tax	238,876	(3,822)
Tax on profit/ (loss) on ordinary activities multiplied by the standard rate in the UK of 28% (2008 28.5%)	(66,885)	1,089
Effects of		
Non allowable impairment of investment	(260,322)	-
Non taxable dividend income	327,515	-
Current tax credit on profit/(loss) on ordinary activities	308	1,089

During the year the income from group companies of £1,169,699,000 (2008 £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

There are no known factors that may affect future tax charges

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

8 Investments

	Subsidiary Undertakings £000
Cost	
At the beginning and end of the year	994,061
Provisions	
At the beginning of the year	56,038
Charge for the year	929,723
At the end of the year	985,761
Net book value	
At 31 December 2008	938,023
At 31 December 2009	8,300

The 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.

9 Debtors

	31 December 2009 £000	31 December 2008 £000
Amounts due from group undertakings	838	1,916
Group relief receivable	308	1,090
	<u>1,146</u>	<u>3,006</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Current account interest is charged at 12 month Libor plus 0.61%.

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

10 Creditors: amounts falling due within one year

	31 December 2009 £000	31 December 2008 £000
Amounts due to group undertakings	-	69,178

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.

11 Called up share capital

	31 December 2009 £000	31 December 2008 £000
Authorised:		
2 (2008 500,000,000) Ordinary shares of £1 each	-	500,000
Allotted, issued and fully paid:		
2 (2008 371,625,726) Ordinary shares of £1 each	-	371,626

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 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 (see note 12).

On 15 June 2009, the loan payable to the parent undertaking, TNT Holdings (UK) Limited, of £68,110,000 was capitalised. 68,110,000 ordinary shares of £1 each were allotted and issued by the Company, in this respect. Subsequently, the capital was reduced by special resolution (see note 12).

12 Reserves

	Share premium account £000	Profit and loss account £000	Other reserves £000
As at 1 January 2009	234,690	232,035	33,500
Capital reduction (see note 11)	(234,690)	234,690	-
Capital reduction (see note 11)	-	371,626	-
Regularisation of prior year dividend	-	121,913	-
Capital reduction (see note 11)	-	68,110	-
Profit for the financial year	-	239,184	-
Dividend paid (see note 15)	-	(1,258,112)	(33,500)
As at 31 December 2009	-	9,446	-

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

12 Reserves (continued)

On 15 June 2009, the Company was repaid dividends from TNT Holdings (UK) Limited relating to prior periods. Dividends of £121,913,000 were repaid to the Company, in this respect. Dividends of the same amount were subsequently paid by the Company to TNT Holdings (UK) Limited.

Other reserves relate to a capital contribution, in cash, of £33,500,000, received by the Company in 2008 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.

13 Reconciliation of movements in total shareholder's funds

	31 December 2009 £000	31 December 2008 £000
Profit/(loss) for the financial year	239,184	(2,733)
Regularisation of prior year dividend (see note 12)	121,913	-
Dividend paid (see note 15)	(1,291,612)	-
Share issue (see note 11)	68,110	-
Capital contributions	-	33,500
	<hr/>	<hr/>
Net(decrease)/increase in total shareholder's funds	(862,405)	30,767
Opening total shareholder's funds	871,851	841,084
	<hr/>	<hr/>
Closing total shareholder's funds	9,446	871,851
	<hr/>	<hr/>

14 Post balance sheet events

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

15 Dividends

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Dividends paid (2009: £645,806,000 (2008: £nil) per ordinary share)	1,291,612	-
	<hr/>	<hr/>

16 Related party disclosures

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

17 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, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of TNT NV may be obtained from TNT Investor Relations, PO Box 13000, 1100 KG Amsterdam, The Netherlands.