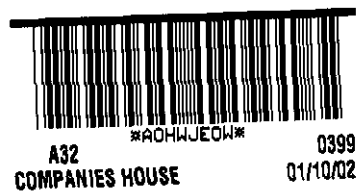


## **TNT Newco Limited**

### **Directors' report and financial statements**

29 December 2001

Registered number 2604019



## **Directors' report and financial statements**

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## **Directors' report**

The directors present their report together with the audited financial statements for the year ended 29 December 2001.

### **Principal activities**

The company acts as a holding company. The directors do not envisage initiating any material departure from this activity in the foreseeable future.

### **Results and dividend**

The results of the company are shown in the profit and loss account on page 4. Dividends totalling £25,540,140 (year ended 30 December 2000: £60,820,000) have been paid during the year. The directors recommend that no further dividend be paid.

### **Directors**

The directors of the company during the year were as stated below:

GF Ginty  
WV Hanley M.B.E.  
AD Jones O.B.E.  
JT Yates

### **Directors' interests**

None of the directors had any disclosable interests in the shares of the company or any group company at the end of the current and preceding financial year.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. 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 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## Directors' report *(continued)*

### Auditors

A resolution is to be proposed at the annual general meeting for the re-appointment of PricewaterhouseCoopers as auditors of the company.

By Order of the Board



**JT Yates**  
*Director*

Railway Street  
Ramsbottom  
Bury  
Lancashire  
BL0 9AL  
27 September 2002

## **Independent auditors report to the members of TNT Newco Limited**

We have audited the financial statements on pages 4 to 10.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 29 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*  
**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Temple Court  
35 Bull Street  
Birmingham  
B4 6TJ

*27 September 2002*

**Profit and loss account**  
*for the year ended 29 December 2001*

	<i>Note</i>	Year ended 29 December 2001 £000	Year ended 30 December 2000 £000
Provision against investments	8	-	(56,038)
Interest receivable and similar income	4	2,369	2,657
Interest payable and similar charges	5	(3,468)	(360)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(1,099)</b>	<b>(53,741)</b>
Tax on loss on ordinary activities	6	333	(668)
		<hr/>	<hr/>
<b>Loss on ordinary activities after taxation</b>		<b>(766)</b>	<b>(54,409)</b>
Dividends paid	7	(25,540)	(60,820)
		<hr/>	<hr/>
<b>Deficit for the financial year</b>	12	<b>(26,306)</b>	<b>(115,229)</b>
		<hr/>	<hr/>

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 9 of these financial statements.

**Balance sheet**  
*at 29 December 2001*

	<i>Note</i>	<b>29 December 2001</b>		30 December 2000	
		<b>£000</b>	<b>£000</b>	£000	£000
<b>Fixed assets</b>					
Investments	8		904,523		904,523
<b>Current assets</b>					
Debtors	9	74,762		73,008	
<b>Creditors: amounts falling due within one year</b>	10	(91,329)		(63,269)	
<b>Net current (liabilities)/assets</b>			(16,567)		9,739
<b>Net assets</b>			887,956		914,262
<b>Capital and reserves</b>					
Called up share capital	11		371,626		371,626
Share premium account	12		234,690		234,690
Profit and loss account	12		281,640		307,946
<b>Equity shareholders' funds</b>	13		887,956		914,262

These financial statements on pages 4 to 10 were approved by the board of directors on 27 September 2002 and were signed on its behalf by:



**JT Yates**  
*Director*

## Notes

### 1 Accounting Policies

#### *Basis of accounting*

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost accounting convention.

Financial Reporting Standard 18 – Accounting Policies has been adopted in the current year but this did not require any changes in accounting policy.

#### *Investments*

Investments are stated at cost less provisions for impairment.

#### *Going concern*

As shown by the balance sheet on page 5, the company has net current liabilities. 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 profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *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 TPG 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) to prepare a cash flow statement as 90 percent or more of the voting rights of the company's shares are controlled by TPG NV. The consolidated financial statements of TPG NV, which include the company, are publicly available.

### 2 Auditors' remuneration

Auditors' remuneration in relation to the company has been borne by the parent undertaking and not recharged.



## Notes (continued)

### 3 Directors and employees

The company has no employees other than directors. 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 contribution schemes.

### 4 Interest receivable and similar income

	Year ended 29 December 2001 £000	Year ended 30 December 2000 £000
Interest received from group companies	2,369	2,657

### 5 Interest payable and similar charges

	Year ended 29 December 2001 £000	Year ended 30 December 2000 £000
Interest payable to group companies	3,459	360
Other	9	-
	3,468	360

### 6 Tax on loss on ordinary activities

	Year ended 29 December 2001 £000	Year ended 30 December 2000 £000
UK Corporation tax credit/(charge) at 30%	327	(689)
Prior year adjustment	6	21
	333	(668)

## Notes (continued)

### 7 Dividends on equity shares

	Year ended 29 December 2001 £000	Year ended 30 December 2000 £000
Dividends paid (6.87p (2000: 16.36p))	25,540	60,820

### 8 Fixed asset investments

Cost	Subsidiary Undertakings £'000
At beginning and end of year	960,561
<b>Provisions</b>	
At beginning and end of year	56,038
<b>Net book value</b>	
At 29 December 2001	904,523
At 30 December 2000	904,523

The principal company in which TNT Newco Limited has an interest is TNT SPC Limited, 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

	29 December 2001 £000	30 December 2000 £000
Amounts due from group companies	74,762	73,008

Amounts due from group companies are unsecured and repayable on demand. Interest is charged at market rates.

## Notes (continued)

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

	29 December 2001 £000	30 December 2000 £000
Amounts due to group companies	90,967	61,848
Corporation tax	362	1,421
	<u>91,329</u>	<u>63,269</u>

Amounts due to group companies are unsecured and repayable on demand. Interest is charged at market rates.

### 11 Called up share capital

	29 December 2001 £000	30 December 2000 £000
<i>Authorised:</i> 500,000,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<i>Allotted, called up and fully paid:</i> 371,625,726 Ordinary shares of £1 each	<u>371,626</u>	<u>371,626</u>

### 12 Reserves

	Share premium account £000	Profit and loss account £000	Total £000
At beginning of year	234,690	307,946	542,636
Deficit for the year	-	(26,306)	(26,306)
At end of year	<u>234,690</u>	<u>281,640</u>	<u>516,330</u>

### 13 Reconciliation of movement in shareholders' funds

	29 December 2001 £000	30 December 2000 £000
Loss for the financial year	(766)	(54,409)
Dividends paid	(25,540)	(60,820)
Net decrease in shareholders' funds	<u>(26,306)</u>	<u>(115,229)</u>
Opening shareholders' funds	914,262	1,029,491
Closing shareholders' funds	<u>887,956</u>	<u>914,262</u>

## **Notes** *(continued)*

### **14 Related party disclosures**

The company is controlled by TNT Holdings (UK) Limited, its immediate parent undertaking. The ultimate parent undertaking and controlling party is TPG NV.

The company being a subsidiary undertaking with 90 percent or more of the voting rights being controlled within the TPG NV is exempt from the requirement to disclose transactions with entities that are part of this group or investees of this group qualifying as related parties.

### **15 Ultimate parent undertaking**

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