

TDG (UK) Limited
Reports and financial statements
31 December 2014

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COMPANIES HOUSE

TDG (UK) Limited

Officers and professional advisers

The board of directors

Mr H Montjotin
Mr P Bataillard
Mr M Wilson
Mr G de La Rochebrochard
Ms L Navid Lane
Mr P Shaw
Mr D Myers

Company secretary

Ms L Navid Lane

Registered office

Norbert Dentressangle House
Lodge Way
New Duston
Northampton
NN5 7SL

Auditor

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

TDG (UK) Limited

Strategic report

Year ended 31 December 2014

The directors present their strategic report of TDG (UK) Limited ('the company') for the year ended 31 December 2014.

Principal activity

The principal activity of the company is acting as a trading agent on behalf of Norbert Dentressangle Logistics Limited, Norbert Dentressangle Transport UK Limited, Norbert Dentressangle Maintenance UK Limited, Norbert Dentressangle Holdings Limited, Norbert Dentressangle Tankers Limited and Norbert Dentressangle Overseas UK Limited and being the sponsoring employer of the TDG Pension Scheme.

Business review

At the year end, the pension scheme deficit has increased to a surplus of £2,210k (2013: deficit £20,090k). In accordance with FRS17 a surplus can only be recognised if the company is expected to generate a future economic benefit for itself through either reduced contributions to support the liability expected to arise from future service or an agreed refund of surplus provided the company has an irrevocable right to any surplus at the year-end. The company does not have an irrevocable right to the surplus at the year-end and thus the surplus in the scheme at 31 December 2014 has not been recognised in the balance sheet. The deferred tax asset recognised in 2013, in relation to the scheme deficit, of £4,020k was reversed in 2014.

In 2014, the company paid contributions of £6,850k (2013: £750k) to the scheme. The corporate tax benefit for this payment is receivable over the next three years to 2017, and thus a deferred tax asset of £897k has been recognised in 2014.

Key performance indicators

	2014	2013	% Change
Profit after tax (£000)	3,282	3,185	3
Shareholders' funds (£000)	144,436	131,915	9

Shareholder's funds for the period have increased, due to the profit after tax of £3,282k and the recognition of the defined benefit pension scheme actuarial gain less deferred tax of £9,239k.

Principal risks and uncertainties

The management of the business and the execution of the company strategy are subject to the following risks:

Liquidity risk

Credit risk on bank balances and short-term deposits is limited as they are held with authorised banks with credit ratings approved by Norbert Dentressangle S.A.

Pension commitments


The company is exposed to market volatility in respect of the defined benefit section of the pension scheme (see note 12 for details of the fund position and actuarial assumptions used as the basis for calculating the surplus). The Norbert Dentressangle Group is committed to funding the pension scheme by agreeing to pay contributions of £2,342k in 2015; and then going forward until 2022, increased contributions per annum to a maximum of £5,291k per annum in 2022.

Interest rate risk

The company has inter-company receivables which are based on floating interest rates and therefore expose the company to interest rate movements. The board of directors has assessed the risk and does not regard the exposure as significant.

Future developments

The company will continue to trade as an agent to other Norbert Dentressangle Group companies and being the sponsoring employer of the TDG Pension Scheme.


Director
LYNDSEY DAVID LANE

Approved by the directors on 17 February 2015

TDG (UK) Limited

Directors' report

Year ended 31 December 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

Going concern

These financial statements have been prepared on a going concern basis. The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The company has inter-company debtor balances with Norbert Dentressangle Logistics Limited, Norbert Dentressangle Transport UK Limited and Norbert Dentressangle Holdings Limited of £81,600k (2013: £81,600k), £51,000k (2013: £51,000k) and £7,000k (2013: £7,000k) respectively which are repayable on demand, although the directors have confirmed that they have no intention to call on repayment of these loans within 12 months of the balance sheet date.

The directors, having assessed the responses of the directors of the company's ultimate parent company Norbert Dentressangle S.A. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Norbert Dentressangle Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Norbert Dentressangle S.A., the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The ultimate parent of the company has confirmed that it shall assist the company in meeting liabilities as and when they fall due to the extent that funds are not otherwise available to meet these liabilities. The ultimate parent company has agreed to provide the financial support outlined above for a period of at least 12 months from the date of signing of the accounts for the year ended 31 December 2014.

The ultimate parent has provided similar assurances to the directors of Norbert Dentressangle Holdings Limited, Norbert Dentressangle Logistics Limited and Norbert Dentressangle Transport UK Limited, which the directors of this company have placed reliance on in assessing the recoverability of amounts due from these entities.

Results and dividends

The profit for the year amounted to £3,282k (2013: £3,185k). The directors have not recommended a dividend (2013: £8,500k).

Directors

The directors who served the company during the year were as follows:

Mr H Montjotin

Mr P Bataillard

Mr M Wilson

Mr G de La Rochebrochard

Ms L Navid Lane

Mr P Shaw

Mr D Myers

Mr M Bridges

(Appointed 1 July 2014)

(Resigned 1 July 2014)

TDG (UK) Limited

Directors' report *(continued)*

Year ended 31 December 2014

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 year.

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.

Disclosure of information to the auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

Signed on behalf of the directors


Director

LYNDSEY DAVID LANE

Approved by the directors on 17 February 2015

Company Registration Number: 00540403

Independent auditor's report to the members of TDG (UK) Limited

We have audited the financial statements of TDG (UK) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Costs Profits and Losses, 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).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2014 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 Strategic Report and 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.

CL Thornton UK LLP

Mark Cardiff (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
London

18 February

2015

TDG (UK) Limited

Profit and loss account

Year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover		–	–
Cost of sales		–	33
Gross profit		–	33
Administrative credit		228	19
Operating profit	2	228	52
Profit on sale of fixed assets	5	–	806
		228	858
Interest receivable	6	2,838	3,272
Profit on ordinary activities before taxation		3,066	4,130
Tax on profit on ordinary activities	7	216	(945)
Profit for the financial year		3,282	3,185

All of the activities of the company are classed as continuing.

The notes on pages 9 to 18 form part of these financial statements.

TDG (UK) Limited

Statement of total recognised gains and losses

Year ended 31 December 2014

	2014	2013
	£000	£000
Profit for the financial year attributable to the shareholder	3,282	3,185
Actuarial gain/(loss) in respect of defined benefit pension scheme	13,260	(20,800)
Deferred tax in respect of defined benefit pension scheme	(4,021)	4,041
Total gains and losses recognised since the last annual report	<u>12,521</u>	<u>(13,574)</u>

Note of historical cost profits and losses

	2014	2013
	£000	£000
Reported profit on ordinary activities before taxation	3,066	4,130
Realised profit on revalued properties	–	1,681
Historical cost profit on ordinary activities before taxation	<u>3,066</u>	<u>5,811</u>
Historical cost profit for the year after taxation	<u>3,282</u>	<u>4,866</u>

The notes on pages 9 to 18 form part of these financial statements.


TDG (UK) Limited

Balance sheet

31 December 2014

	Note	£000	2014 £000	£000	2013 £000
Current assets					
Debtors due within one year	9	5,432		3,407	
Debtors due after one year	9	139,600		145,600	
Cash at bank		44		44	
		<u>145,076</u>		<u>149,051</u>	
Creditors: Amounts falling due within one year	11	<u>(640)</u>		<u>(1,066)</u>	
Net current assets			<u>144,436</u>		<u>147,985</u>
Total assets less current liabilities			<u>144,436</u>		<u>147,985</u>
Net assets excluding pension liability			<u>144,436</u>		<u>147,985</u>
Defined benefit pension scheme liability	12		-		(16,070)
Net assets including pension liability			<u>144,436</u>		<u>131,915</u>
Capital and reserves					
Called-up equity share capital	14		101,100		101,100
Share premium account	15		19,900		19,900
Capital redemption reserve	16		4,153		4,153
Profit and loss account	17		19,283		6,762
Shareholder's funds	18		<u>144,436</u>		<u>131,915</u>

These accounts were approved by the directors and authorised for issue on 17 February 2015, and are signed on their behalf by:


 Director
 LYNOSAY DAVID LANE

Company registration number: 00540403

The notes on pages 9 to 18 form part of these financial statements.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Going concern

The company relies on the continued financial support from Norbert Dentressangle S.A., the ultimate parent company, to enable it to continue operating and meeting its liabilities as they fall due. The directors believe it is appropriate to prepare the accounts on a going concern basis as they have received confirmation that continuing finance will be made available from the ultimate parent company.

Changes in accounting policies

The company has adopted no new accounting standards in these financial statements. In accordance with FRS18 the directors have continued to review the accounting policies being applied by the company. There have been no changes to accounting policies during the year.

Consolidated accounts

The company is exempt under Section 400 of the Companies Act 2006, from the obligation to prepare consolidated financial statements. As such, these financial statements present information about the company as an individual undertaking and not about its Group.

Cash flow statement

The directors have taken advantage of the exemption in FRS1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent, Norbert Dentressangle S.A., publishes a consolidated cash flow statement.

Related parties transactions

As the company is a wholly owned subsidiary of Norbert Dentressangle S.A., the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which are wholly owned by the Group.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

1. Accounting policies (*continued*)

Pension costs

The company operates a number of defined benefit and defined contribution pension schemes for its former employees. The assets of the schemes are held separately from those of the company.

In 2010 the company was unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore in accordance with FRS17, the company adopted the multi-employer exemption resulting in a defined contribution treatment for the Group scheme and recognition of the contributions payable each year through the profit and loss account. On 7 December 2011, TDG Limited, the company's immediate parent, ceased to be a participating employer and the company renamed as the sponsoring employer and sole participating employer. As a result of this, the company was solely responsible for all of the assets and liabilities of the scheme. In accordance with FRS17 and the accounting policies detailed below, with effect from 7 December 2011, the company ceased to apply multi-employer exemption.

With effect from 7 December 2011, current service cost, past service cost and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount in the profit and loss account as other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. In accordance with FRS 17 a surplus can only be recognised if the company is expected to generate a future economic benefit for itself through either reduced contributions to support the liability expected to arise from future service or an agreed refund of surplus provided the company has an irrevocable right to any surplus at the year-end. At the year end, the company did not have an irrevocable right to the surplus and thus the surplus has not been recognised in the balance sheet.

When the business was restructured on 1 October 2011, the scheme was closed to future accrual and the scheme ceased to accept further contributions.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but have not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax. Deferred tax assets are only recognised to the extent that they are expected to be realised in the foreseeable future. Deferred tax balances are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

2. Operating profit

Operating profit is stated after crediting:

	2014 £000	2013 £000
Auditor's remuneration		
- as auditor	<u>-</u>	<u>-</u>

In 2014, audit fees of £9k (2013: £9k) were borne by Norbert Dentressangle Holdings Limited.

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2014 No	2013 No
Average number of employees	<u>3</u>	<u>3</u>

The directors of the company, other than Ms L Navid Lane, received no direct remuneration for their services to the company as the services they provide to this company are incidental to the Norbert Dentressangle group management roles they fulfil. The company has 3 (2013: 3) employees, including one director, with a joint employment contract with the company, Norbert Dentressangle Holdings Limited and Salvesen Logistics Limited. The company's share of these employee costs are paid on behalf of the company by Norbert Dentressangle Holdings Limited.

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £000	2013 £000
Remuneration receivable	<u>43</u>	<u>38</u>

The directors' remuneration in 2014 and 2013 relates to the remuneration of one director only and therefore equates to the remuneration of the highest paid director. There are no pension benefits accruing to any of the other directors.

5. Profit on sale of fixed assets

	2014 £000	2013 £000
Profit on sale of fixed assets	<u>-</u>	<u>806</u>

On 31 January 2013, the company sold its remaining leasehold property to Norbert Dentressangle Logistics Limited for proceeds of £5,272k, realising a profit on disposal of £806k.

6. Interest receivable

	2014 £000	2013 £000
Net finance income in respect of defined benefit pension schemes	100	100
Interest from group undertakings	<u>2,738</u>	<u>3,172</u>
	<u>2,838</u>	<u>3,272</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £000	2013 £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21.50% (2013 - 23.25%)	638	739
Under provision in prior year	23	185
Total current tax	<u>661</u>	<u>924</u>
Deferred tax:		
Origination and reversal of timing differences	(877)	21
Tax on profit on ordinary activities	<u>(216)</u>	<u>945</u>

The 2014 deferred tax credit of £877k (2013: charged of £21k) is the net of a deferred tax credit of £897k arising on the spreading of the tax relief on pension contributions made in the period of £6,850k over the next three years and a deferred tax charge of £20k (2013: £21k) in relation to the timing difference arising on the net finance income, £100k (2013: £100k), of the defined benefit pension scheme. The associated deferred tax asset for the pension contributions is disclosed in note 10 and the associated deferred tax liability is offset against the pension scheme deficit disclosed in note 12.

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	2014 £000	2013 £000
Profit on ordinary activities before taxation	<u>3,066</u>	<u>4,130</u>
Profit on ordinary activities by rate of tax	659	960
Permanent timing differences	-	(11)
Adjustments to tax charge in respect of previous periods	23	185
Profit on sale of investments not taxable	-	(187)
Other pension finance income not tax deductible and cash contributions tax deductible	(21)	(23)
Total current tax (note 7(a))	<u>661</u>	<u>924</u>

(c) Factors that may affect future tax charges

In the March 2013 Budget, the UK Chancellor announced that the mainstream rate of UK corporation tax will reduce from 21% to 20% for the financial year 2015. The reduction from 21% to 20% has been reflected in the company's balance sheet as no further proposals to reduce the UK corporation tax rate have been enacted or substantively enacted at the balance sheet date.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

8. Dividends

Equity dividends

	2014 £000	2013 £000
Interim dividend in specie - 0.021p per share	<u>—</u>	<u>8,500</u>

On 31 January 2013, the company proposed and paid an interim cash dividend to TDG Limited of £8,500k.

9. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	144,135	148,779
Prepayments and accrued income	—	228
Deferred taxation (note 10)	897	—
	<u>145,032</u>	<u>149,007</u>

The debtors above include the following amounts falling due after more than one year:

	2014 £000	2013 £000
Amounts owed by group undertakings	<u>139,600</u>	<u>145,600</u>

The company has formal loan agreements with the following group undertakings:

- A loan of £81,600k (2013: £81,600k) with Norbert Dentressangle Logistics Limited, bearing interest at 12 month LIBOR plus 1.1%.
- A loan of £51,000k (2013: £51,000k) with Norbert Dentressangle Transport UK Limited, bearing interest at 12 month LIBOR plus 1.1%.
- A loan of £7,000k (2013: £13,000k) with Norbert Dentressangle Holdings Limited, bearing interest at 12 month LIBOR plus 1.0%. On each of 2 January 2014 and 1 June 2014, Norbert Dentressangle Holdings Limited repaid £3,000k of the outstanding loan.

All loans are strictly payable within one year but will only become payable in the event of the company's liquidation and therefore the directors have confirmed to the borrowing entities that the respective loans will not be called within the next 12 months.

The company has a current account balance with Norbert Dentressangle Holdings Limited of £3,836k (2013: £2,523k), bearing interest at LIBOR plus 1.05%.

The amounts due by group undertakings over 1 year are secured to the TDG Pension Scheme, a hybrid defined benefit and defined contribution scheme.

10. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2014 £000	2013 £000
Included in debtors (note 9)	<u>897</u>	<u>—</u>

The movement in the deferred taxation account during the year was:

	2014 £000	2013 £000
Profit and loss account movement arising during the year	897	—
Balance carried forward	<u>897</u>	<u>—</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

10. Deferred taxation (*continued*)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2014 £000	2013 £000
Other timing differences	897	-
	<u>897</u>	<u>-</u>

The 2014 deferred tax asset of £897k (2013: £nil) is in relation to the spreading of the tax relief on pension contributions made in the period of £6,850k over the next three years.

11. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	2	-
Corporation tax - group relief payable	638	738
Accruals and deferred income	-	328
	<u>640</u>	<u>1,066</u>

The corporation tax payable in 2014 and 2013 is all in relation to group relief.

12. Pensions and other post retirement benefits

The TDG Pension Scheme is a hybrid defined benefit and defined contribution scheme. On 30 September 2011, the defined benefit scheme was closed to new members. On 31 May 2008, the defined contribution scheme was closed to new members.

The last full actuarial valuation for the defined benefit scheme, on which the FRS 17 figures have been based, was dated 31 December 2012 and updated to 31 December 2014 by an independent qualified actuary.

The amounts recognised in the profit and loss account included in operating profit are as follows:

	2014 £000	2013 £000
Amounts charged to operating profit:		
Current service cost	100	100
Total operating charge	<u>100</u>	<u>100</u>
Amounts included in other finance (income)/cost:		
Expected return on scheme assets	(17,200)	(16,200)
Interest on scheme liabilities	17,100	16,100
Other finance income	<u>(100)</u>	<u>(100)</u>
Total (credit)/charge to the profit and loss account	<u>-</u>	<u>-</u>

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

12. Pensions and other post retirement benefits (continued)

The amounts recognised in the balance sheet at the year end are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(450,390)	(396,490)
Fair value of scheme assets	452,600	376,400
Surplus/(deficit)	2,210	(20,090)
Unrecognisable surplus	(2,190)	-
Deferred tax arising on net finance income	(20)	(21)
Deferred tax – amount recognised in statement of total recognised gains and losses	-	4,041
Net pension liability	-	(16,070)

The company was, until 7 December 2011, unable to identify its share of the underlying assets and liabilities of the TDG Pension Scheme on a consistent and reasonable basis and as permitted under FRS 17 the company adopted the defined contribution treatment for the Group scheme. On 7 December 2011, TDG Limited, the company's immediate parent, ceased to be a participating employer and the company renamed as the sponsoring employer and sole participating employer. As a result of this the company was solely responsible for all of the assets and liabilities of the scheme; in accordance with FRS 17 with effect from 7 December 2011.

At 31 December 2013, the scheme is in deficit of £20,090k, as valued by an independent qualified actuary, and as a result the company is expected to support the liability until the full deficit has been recognised. At 31 December 2014, the surplus in the scheme is £2,210k. However in accordance with FRS 17 a surplus can only be recognised if the company is expected to generate a future economic benefit for itself through either reduced contributions to support the liability expected to arise from future service or an agreed refund of surplus provided the company has an irrevocable right to any surplus at the year-end. At 31 December 2014, the company did not have an irrevocable right to the surplus and thus the surplus has not been recognised in the balance sheet.

The movements in the scheme surplus in the year were:

	2014 £000	2013 £000
Opening scheme (deficit)/surplus	(20,090)	3,300
Current service cost	(100)	(100)
Contributions	6,850	710
Expected return on scheme assets	17,200	16,200
Interest on scheme liabilities	(17,100)	(16,100)
Actuarial gain/(loss)	15,450	(24,100)
Closing scheme surplus/(deficit)	2,210	(20,090)

The following information provides further details on the pension scheme.

The base mortality tables adopted as at 31 December 2014 are the S1NA series, with long-term improvements of 1.0% per annum for males and females. These are based on those adopted for the actuarial valuation at 31 December 2012.

TDG (UK) Limited

Notes to the financial statements

Year ended 31 December 2014

12. Pensions and other post retirement benefits (continued)

Based on the above mortality table assumptions, the expected future lifetime of a participant in the TDG Pension Scheme who is aged 65 and the expected future lifetime of a participant who will be age 65 in 15 years' time is as follows:

	2014	2014	2013	2013
	Male	Female	Male	Female
Member aged 65 (current life expectancy)	22.1	24.6	21.9	24.1
Member aged 55 (life expectancy at age 65)	23.4	26.1	23.3	25.7

The estimated employer defined benefit contributions for the year ending 31 December 2014 are £2,342k (2013: £6,700k).

Changes in the present value of the defined benefit obligation scheme are as follows:

	2014	2013
	£000	£000
Opening defined benefit obligation	396,490	374,500
Current service cost	100	100
Interest on scheme liabilities	17,100	16,100
Actuarial loss	55,300	22,690
Benefits paid	(18,600)	(16,900)
Closing defined benefit obligation	450,390	396,490

Changes in the fair value of scheme assets are as follows:

	2014	2013
	£000	£000
Opening fair value of scheme assets	376,400	377,800
Expected return on scheme assets	17,200	16,200
Contributions by employer	6,850	710
Actuarial gain/(loss)	70,750	(1,410)
Benefits paid	(18,600)	(16,900)
Closing fair value of scheme assets	452,600	376,400

The actual return on assets in the period was £87,950k (2013: £14,790k).

The fair value of the major categories of scheme assets are as follows:

	2014	2013
	£000	£000
Risk parity	87,400	52,100
Dynamic Asset Allocation	90,200	108,140
Property	-	7,270
Hedge funds	-	52,253
Credit	76,000	37,957
Liability Driven Investments	186,900	115,657
Alternatives	4,500	-
Other assets including cash	7,600	3,023
Fair value of scheme assets	452,600	376,400

The Dynamic Asset Allocation is a multi-asset class, targeted absolute investment return. Liability Driven Investments consists of a portfolio of gilts, swaps and other derivatives to hedge the interest and inflation risk of the scheme's liabilities.

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Year ended 31 December 2014

12. Pensions and other post retirement benefits (continued)

The principal actuarial assumptions as at the balance sheet date were:

	2014 %	2013 %
Discount rate	3.55	4.40
Expected return on scheme assets	4.40	6.00
Inflation – RPI	2.90	3.30
Inflation – CPI	2.00	2.40
Rate of increase of pensions in payment – pre 1997	2.20	2.40
Rate of increase of pensions in payment – post 1997 to pre April 2005	2.80	3.10
Rate of increase of pensions in payment – post April 2005	1.90	2.10

Amounts for the current and previous four periods are as follows:

	31-Dec 2014 £000	31-Dec 2013 £000	31-Dec 2012 £000	31-Dec 2011 £000	31-Dec 2010 £000
Defined benefit obligation	(450,390)	(396,490)	(374,500)	(363,600)	(339,800)
Fair value of scheme assets	452,600	376,400	377,800	377,000	356,800
Surplus/(deficit) in the scheme	2,210	(20,090)	3,300	13,400	17,000
Experience adjustments on scheme liabilities	(4,200)	(4,200)	3,200	(9,000)	(43,100)
Experience adjustments on scheme liabilities (%)	1	1	1	2	12
Experience adjustments on scheme assets	71,500	(1,500)	(500)	7,500	9,900
Experience adjustments on scheme assets (%)	16	-	-	2	3

13. Contingent liabilities

There are no other contingent liabilities at 31 December 2014 or 31 December 2013.

14. Share capital

Allotted, called up and fully paid:

	2014 No	£000	2013 No	£000
Ordinary shares of £0.25 each	404,400,000	101,100	404,400,000	101,100

15. Share premium account

There was no movement on the share premium account during the financial year.

16. Capital redemption reserve

	2014 £000	2013 £000
Capital redemption reserve	4,153	4,153

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Notes to the financial statements

Year ended 31 December 2014

17. Profit and loss account

	2014	2013
	£000	£000
Balance brought forward	6,762	27,155
Profit for the financial year	3,282	3,185
Equity dividends	–	(8,500)
Actuarial gain/(loss) in respect of defined benefit pensions scheme, net of deferred tax	9,239	(16,759)
Transfer from revaluation reserve	–	1,681
Balance carried forward	<u>19,283</u>	<u>6,762</u>

18. Reconciliation of movements in shareholder's funds

	2014	2013
	£000	£000
Profit for the financial year	3,282	3,185
Equity dividends	–	(8,500)
Transfer from revaluation reserve	–	1,681
Actuarial gain/(loss) in respect of defined benefit pension scheme, net of deferred tax	9,239	(16,759)
Transfer to profit and loss account	–	(1,681)
Net addition/(reduction) to shareholder's funds	12,521	(22,074)
Opening shareholder's funds	131,915	153,989
Closing shareholder's funds	<u>144,436</u>	<u>131,915</u>

On 31 January 2013, the company proposed and paid an interim cash dividend to TDG Limited of £8.5m.

19. Ultimate parent company

At the year end TDG Limited, a company registered in England and Wales, is the company's immediate parent undertaking.

Norbert Dentressangle S.A., a company registered in France, is the ultimate parent company. The largest and smallest group for which group accounts, including TDG (UK) Limited, are drawn up is Norbert Dentressangle S.A. A copy of these accounts can be obtained from the Norbert Dentressangle website www.norbert-dentressangle.com.