TNT Holdings (UK) Limited

Annual report and financial statements

31 May 2017

Registered number 3230377

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Corporate Information

Directors
JN Clarke
R Peto

Independent Auditors
Ernst & Young LLP
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Birmingham
B4 6HQ

Registered Office
TNT Holdings (UK) Limited
TNT Express House
Holly Lane
Atherstone
Warwickshire
CV9 2RY

Strategic report for the 17 months ended May 2017

The Directors present their Strategic report for TNT Holdings (UK) Limited, for the 17 months ended 31 May 2017 (12 month comparative for the year ended 31 December 2015).

Review of business

The results for the period show a profit on ordinary activities before taxation of €6,006,000 *(2015: €nil)* as described on page 7. On 10 February 2017, the Company received a dividend from its subsidiary, TNT European Airlines Limited of €6,006,000 *(2015: €nil).*

On the 25 May 2016, TNT Express NV, the ultimate parent entity for the Company was acquired by FedEx.

As a result of the acquisition the ultimate parent entity at the date of signing of these accounts is FedEx Corporation, USA. Further details on the ultimate parent company is disclosed in note 16.

Key performance indicators ("KPIs")

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.

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.

The Strategic report was approved by the board and signed on its behalf

R Peto
Director

26 February 2018

Directors' report for the 17 months ended May 2017

The Directors present their annual report, and the audited financial statements for the Company for the 17 months ended 31 May 2017 (12 month comparative for the year ended 31 December 2015). The financial statements have been extended to 31 May 2017 to align with the Fedex group following the acquisition in the year.

Principal activities and future developments

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.

Results and dividends

On 10 February 2017, the Company paid a dividend to its parent, TNT GRS 2008 Limited of £6,006,000 *(2015: €Nil)*. The Directors recommend that no final dividend be paid (2015: €nil).

Financial risk management

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

Directors

The Directors of the Company, who served during the 17 months ended 31 May 2017 and up to the date of signing the financial statements, were as follows:

JN Clarke
R Peto
M Culver (resigned 10 June 2016)

Going concern

The Company acts as a service provider to the Fedex Group and participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company has received a signed letter of support from TNT Express Worldwide B.V. confirming the Group intends to make funds available to the Company if required to enable it to meet its debts as they fall due.

The Directors, having assessed the responses of the Directors of the Company's parent FedEx Corporation to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the FedEx Corporation 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 FedEx Corporation, 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.

Post balance sheet event

On June 27, 2017, the worldwide operations of TNT Express were significantly affected by the cyber attack known as NotPetya, which involved the spread of an information systems virus through a Ukrainian tax software product. The systems and data of all other FedEx companies were unaffected by the attack. While TNT Express operations and communications were significantly affected, no data breach or data loss to third parties is known to have occurred. Immediately following the attack, contingency plans were implemented to recover TNT Express operations and communications systems, and substantially all TNT Express services were fully restored during the first quarter of 2018. As of February 2018, substantially all of TNT Express's critical operational systems have been fully restored, critical business data has been recovered and core shipping services are back in place. We are now focused on finalizing the restoration of key customer-specific specialized solutions and systems in time for the peak shipping season.

Directors' report for the 17 months ended May 2017 (continued)

Directors' third party indemnity provision

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

Statement of 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, 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 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 auditors

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

(b) The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, Ernst and Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

R Peto
Director

26 February 2018

Independent Auditor's report to the members of TNT Holdings (UK) Limited

We have audited the financial statements of TNT Transport Limited for the period ended 31 May 2017 which comprise Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 16. 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), including FRS 101 "Reduced Disclosure Framework".

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 Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 May 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the members of TNT Holdings (UK) Limited

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

Helen McLeod-Jones (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
Date 27 February 2018

Statement of comprehensive income

	Note	**17 months ended 31 May 2017**	Year ended 31 December 2015
		€000	€000
Administrative expenses		-	-
Operating result	5	-	-
Income from shares in group undertakings	7	**6,006**	-
Profit on ordinary activities before taxation		**6,006**	-
Tax on profit on ordinary activities	8	-	(2)
Profit / (loss) for the financial year		**6,006**	(2)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**6,006**	(2)

All amounts relate to continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

Statement of financial position

	Note		31 May 2017		31 December 2015
		€000	€000	€000	€000
Fixed Assets					
Investments	*9*		**400,377**		400,377
Current assets					
Debtors	*10*	**15**		15	
Net current assets			**15**		15
Net assets			**400,392**		400,392
Capital and reserves					
Called up share capital	*11,12*		**178,660**		178,660
Share premium			**82,354**		82,354
Other reserves			**108,286**		108,286
Retained earnings			**31,092**		31,092
Total Equity			**400,392**		400,392

These financial statements on pages 7 to 17 were approved by the board of Directors on 26 February 2018 and were signed on its behalf by:

R Peto
Director

Statement of changes in equity for 17 months ended 31 May 2017

Attributable to owners of the parent

	Note	Called up share capital €000	Share premium €000	Other reserves €000	Retained earnings €000	Total Equity €000
At 1 January 2015		178,660	82,354	108,286	31,094	400,394
Loss and total comprehensive loss for the financial year		-	-	-	(2)	(2)
At 31 December 2015		**178,660**	**82,354**	**108,286**	**31,092**	**400,392**
Profit and total comprehensive income for the financial year		-	-	-	**6,006**	**6,006)**
Dividends paid	*13*	-	-	-	**(6,006)**	**(6,006)**
At 31 May 2017		**178,660**	**82,354**	**108,286**	**31,092**	**400,392**

Other reserves relate to a capital contribution, in cash, of £104,836,315 (€108,285,500) received by the Company in 2008.

Notes to the financial statements for the 17 months ended 31 May 2017

1 General Information

TNT Holdings (UK) Limited is a private limited company incorporated and domiciled in England and Wales. The principal activity of the Company is set out in the Directors' report on page 3 and 4. The address of the registered office is given on page 1.

2 Summary of Significant Accounting Policies

Basis of preparation

The accounting policies that follow set out the policies that apply in preparing the financial statements for the 17 months ended 31 May 2017. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 (the Act) as applicable to companies using Financial Reporting Standard 101 (FRS101). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with US GAAP may be obtained.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
(c) the requirements of IAS 7 Statement of Cash Flows;
(d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
(e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
(f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
(g) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
paragraph 79(a)(iv) of IAS 1; and
(h) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below.

The financial statements are prepared in Euros (presentational currency), which is the functional currency of the Company under IAS 21. All figures are rounded to the nearest thousand, except where otherwise indicated.

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

2 Accounting policies (continued)

Going concern

The Company acts as a service provider to the Fedex Group and participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Company has received a signed letter of support from TNT Express Worldwide B.V. confirming the Group intends to make funds available to the Company if required to enable it to meet its debts as they fall due.

The Directors, having assessed the responses of the Directors of the Company's parent FedEx Corporation to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the FedEx Corporation 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 FedEx Corporation, 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.

Foreign currency translation

The Company's functional currency and presentation currency is Euros. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the financial position date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Management of foreign currency risk

The group's central treasury team are responsible for managing the financial risks of the group relating to fluctuations in foreign currency. The exchange rate risks on the foreign currency debtors of the Company are hedged using forward contracts, in the appropriate foreign currency, by the central treasury team, on the Company's behalf. The results of the forward contract are then charged to the entity through intercompany transactions.

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

2 Accounting policies (continued)

Current and deferred income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill;
- on an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the financial position date.

The carrying amount of deferred income tax assets is reviewed at each financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the group to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

Investments in subsidiaries

Investments are stated at the cost of the shares, plus all other associated acquisition costs less any provision for impairment. Investments are reviewed annually and impairments are assessed if the investment's carrying value is greater than the net assets it represents.

Where an impairment has been identified on an investment denominated in a currency other than Euros, the current value is calculated of the investment at the spot rate at that date. The impairment charge based on the currency value of the investment is also calculated and charged to the statement of comprehensive income. The difference between the two charges is deemed to be the foreign exchange element and charged accordingly.

Exemption from preparation of consolidated financial statements

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent to a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group consolidated financial statements as the results of the Company and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, FedEx Corporation, as at 31 December 2016, which is incorporated in the USA.

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

3 Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions in the preparation of the financial statements in line with the applicable standards.. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Impairment of investments

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and value in use. The value in use of investments is assessed on an annual basis, taking the net assets of the company, in which there is an investment, into account. (see note 9).

4 Operating segments

The Company does not have publicly traded equity or debt securities in a public securities market and therefore uses that exemption from the segmental disclosure requirements of IFRS 8.

5 Operating profit

Auditor's remuneration in respect of auditing of the financial statements was £7,000. This has been borne by FedEx Corporation.

6 Staff costs and Directors' emoluments

The Company has no employees other than the Directors *(2015: none)*. During the current and preceding financial year the Directors have neither received nor waived any remuneration for their services to the Company and have not accrued any pension benefits under either defined benefit or contribution schemes. Remuneration is paid to the Directors by other group entities and not recharged. The directors do not consider the amount of time spent on the entity to be material and therefore no information is disclosed.

7 Income from shares in group undertakings

	2017	2015
	€000	€000
Dividends received from subsidiary undertakings	**6,006**	-

8 Tax on profit on ordinary activities

(a) Tax charged in the statement of comprehensive income

	2017	2015
	€000	€000
Current tax		
UK corporation tax credit	-	-
Adjustments in respect of prior years	-	2
Total current tax charge	-	2
Total tax charge	-	2

There is no deferred tax, either recognised or unrecognised *(2015:€nil)*.

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

8 Tax on profit on ordinary activities (continued)

(b) Reconciliation of income tax charge to accounting profit

The tax assessed for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 19.88% (2015: 20.25%). The differences are explained below:

	2017	2015
	€000	€000
Profit on ordinary activities before taxation	**6,007**	-
Charge at 19.88% *(2015: 20.25%)*	**1,194**	-
Effects of:		
Non taxable dividends	**(1,194)**	-
Income from group companies	-	-
Adjustments in respect of prior years	-	2
Current tax charge for the year	-	2

Factors that may affect future tax charges

Oon 1 April 2017 the rate of UK corporation tax was reduced from 20% to 19%.

From 1 April 2020 the UK corporation tax will be reduced from 19% to17%.

9 Investments

	Subsidiary undertakings €000
Cost	
At 1 January 2016 **and 31 May 2017**	**1,083,142**
Provisions	
At 1 January 2016 **and 31 May 2017**	**682,765**
Net book value	
At 31 May 2017	**400,377**
At 31 December 2015	400,377

The Directors' consider the value of the investments to be supported by their underlying assets.

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

9 Investments (continued)

As at 31 May 2017, the principal subsidiaries of the Company are as follows:

Name of undertaking	Country of incorporation or residence	Principal activity	Shares held	Proportion of nominal value of shares held (%)
A.C.N. 008 427 021 Pty Limited	Australia	Financing company	Ordinary	100%
TNT Transport Limited	England & Wales	Holding company	Ordinary Preference	100% 100%
TNT European Airlines Limited	England & Wales	Financing company	Ordinary	100%
TNT Express Worldwide Investments Limited	England & Wales	Holding company	Ordinary Preference	100% 100%
TNT Express ICS Limited	England & Wales	Information technology services	Ordinary	100%

As at 31 May 2017, the subsidiary companies owned indirectly by the Company were as follows:

Name of undertaking	Country of incorporation or registration	Principal Activity	Shares held	Proportion of Nominal value of shares held (%)
Equity Credit Services Limited	England & Wales	Dormant	Ordinary	100%
TNT Transport (NI) Limited	Northern Ireland	Dormant	Ordinary	100%
TNT UK Limited	England & Wales	Transportation	Ordinary	100%
Sayer & Company (Transport – I.O.M.) Limited	Isle of Man	Dormant	Ordinary	100%
TNT Offshore Islands Express Limited	Jersey	Transportation	Ordinary	100%
TNT Express Worldwide (UK) Limited	England & Wales	Financing company	Ordinary Preference	100% 100%
TNT Fashion Group France SAS	France	Transportation	Ordinary	100%
TNT Express Worldwide Limited	Fiji	Transportation	Ordinary	62.47%

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

10 Debtors

	2017	2015
	€000	€000
Current amounts due from other group undertakings	15	15
Group relief receivable	-	-
	15	15

Amounts due from group undertakings are unsecured and have no fixed date of repayment and are repayable on demand. BMG interbank interest is charged at the daily Euribor rate.

11 Called up share capital

Ordinary share capital of £1 each

Allotted and fully paid	No.	€000
At 31 December 2015 and **31 May 2017**	156,750,003	161,907

Shares were translated at the exchange rate of (£1:€1.0329) ruling at the date of transition to IFRS. As detailed within the accounting principles section of the financial statements on page 10, the company has since transitioned to FRS 101.

12 Preference shares

Preference shares of £1 each

Allotted and fully paid	No.	€000
At 31 December 2015 and **31 May 2017**	16,218,885	16,753

Rights of preference shareholders

The £1 Convertible Cumulative Redeemable Preference shares, referred to as "A" class shares, which carry a preference dividend linked to LIBOR, are convertible on a one for one basis at the discretion of either the Company or the shareholder and are redeemable at par at 31 December each year by the prior written notice of the holder. On winding-up, the holders of the "A" shares are entitled, in preference to any payment to the holders of any other class of shares, to a repayment of a sum equal to the nominal capital paid up together with all arrears and accruals of the preference dividend. The holders of the "A" shares have voting rights only if the preference dividend is three months or more in arrears or if a resolution is proposed to vary or modify their rights or privileges, or for the winding-up or sale of the Company.

During the year no dividend was declared in relation to these preference shares *(2015: £nil)*. The dividend the preference shareholder is entitled to, on winding up, in relation to the current year is £223,833 (€306,000) *(2015: £158,000 (€216,000))*. As at 31 May 2017 a cumulative dividend of £12,246,833 (€14,749,000*) (2015: £12,023,000 (€14,443,000))* that had not yet been declared had accrued in relation to the "A" class preference shares.

The preference shares are treated as equity in accordance with IAS 32.

Shares were translated at the exchange rate of (£1:€1.0329) ruling at the date of transition to IFRS. As detailed within the accounting policies section of the financial statements in note 2, the company has since transitioned to FRS 101.

Notes to the financial statements for the 17 months ended 31 May 2017 *(continued)*

13 Dividends

	2017	*2015*
	€000	*€000*
Dividends paid €0.38 per ordinary share *(2015: €nil)*	**6,006**	-

14 Contingent liabilities

The Company has entered into a Deed of Composite Guarantee in favour of National Westminster Bank plc in respect of accounts held with NatWest by a number of its group undertakings.

As at 31 May 2017, the Company has five guarantees for properties located at Jessops Way, Croydon; Camford Way, Luton; Brooklands Park, Byfleet; Righead Industrial Estate, Glasgow and Units D and E and car parks, Stansted Airport.

As at 31 May 2017, the Company has three guarantees entered into on behalf of its group undertaking in respect of service contracts.

The Directors do not believe that any material liability will arise from the above contingencies.

15 Post balance sheet events

On June 27, 2017, the worldwide operations of TNT Express were significantly affected by the cyber attack known as NotPetya, which involved the spread of an information systems virus through a Ukrainian tax software product. The systems and data of all other FedEx companies were unaffected by the attack. While TNT Express operations and communications were significantly affected, no data breach or data loss to third parties is known to have occurred. Immediately following the attack, contingency plans were implemented to recover TNT Express operations and communications systems, and substantially all TNT Express services were fully restored during the first quarter of 2018. As of February 2018, substantially all of TNT Express's critical operational systems have been fully restored, critical business data has been recovered and core shipping services are back in place. We are now focused on finalizing the restoration of key customer-specific specialized solutions and systems in time for the peak shipping season.

16 Ultimate parent undertaking

The immediate parent undertaking of TNT Holdings (UK) Limited is TNT GRS 2008 Limited. The ultimate parent undertaking and controlling party at the financial position date was FedEx Corporation, USA, a company incorporated in USA, which was the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of FedEx Corporation may be obtained from 942 South Shady Grove Road, Memphis, Tennessee 38129, USA.