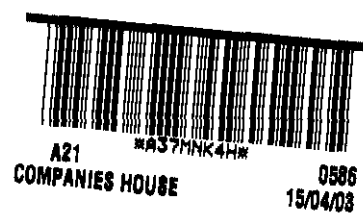


BLECKMANN DISTRIBUTION LIMITED

Directors' report and financial statements

28 December 2002

Registered number 3395582



# Bleckmann Distribution Limited

## DIRECTORS' REPORT

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The directors present their report together with the audited financial statements of the company for the year ended 28 December 2002.

### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £427,236 (2001 - £544,763). The directors do not recommend the payment of an ordinary dividend for the year.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was the transportation, forwarding and provision of warehousing services for the fashion industry. As a result of the transfer of the trade and certain assets of Bleckmann Distribution Limited, the company no longer trades.

### REVIEW OF THE BUSINESS

On 28 December 2002, the trade and certain assets of Bleckmann Distribution Limited were transferred to TNT UK Limited for a consideration of £1.

### DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

C Meijer	
A F Grocock	(resigned 28 February 2002)
D E Millar	(resigned 28 February 2002)
C E Lynagh	(appointed 28 February 2002)
C J Stephenson	(appointed 28 February 2002)
G F Ginty	(appointed 28 February 2002)

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

### AUDITORS

PricewaterhouseCoopers LLP were appointed as auditors on 27 February 2003. A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

On behalf of the board



C E Lynagh  
Director

31 March 2003

## Bleckmann Distribution Limited

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 6 under Note 1 "Accounting policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 28 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



C E Lynagh  
Director

31 March 2003

## **Independent auditors' report to the members of Bleckmann Distribution Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

### **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.

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. This report, including the opinion, has been prepared for and only for the company's members, as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown, or in to whose hands it may come, save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the accounts 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.

### **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 accounts 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 accounts.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 28 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

*PricewaterhouseCoopers LLP*  
31 March 2003

# Bleckmann Distribution Limited

## PROFIT AND LOSS ACCOUNT for the year ended 28 December 2002

	Notes	2002 £	2001 £
<b>TURNOVER</b>	2	<b>1,900,542</b>	4,160,041
Cost of sales		<b>(1,243,441)</b>	(3,358,839)
<b>GROSS PROFIT</b>		<b>657,101</b>	801,202
Administrative expenses		<b>(1,196,026)</b>	(1,289,322)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	3	<b>(538,925)</b>	(488,120)
Interest payable and similar charges	5	<b>(31,483)</b>	(56,643)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(570,408)</b>	(544,763)
Taxation	6	<b>143,172</b>	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	<b>(427,236)</b>	(544,763)

The activities of the company during the year are discontinued operations (see note 15)

In accordance with FRS 3, a statement of total recognised gains and losses is not provided as all such items are included within the profit and loss account above.

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 detailed in note 12 on page 11 of these financial statements.

# Bleckmann Distribution Limited

## BALANCE SHEET at 28 December 2002

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible assets	7	-	210,645
<b>CURRENT ASSETS</b>			
Debtors	8	251,838	799,900
Cash at bank and in hand		117,306	301
		369,144	800,201
<b>CREDITORS: amounts falling due within one year</b>	9	(2,129,514)	(2,343,980)
<b>NET CURRENT LIABILITIES</b>		(1,760,370)	(1,543,779)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,760,370)	(1,333,134)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	720,000	720,000
Profit and loss account	12	(2,480,370)	(2,053,134)
<b>Equity shareholders' funds</b>	13	(1,760,370)	(1,333,134)

The financial statements on pages 4 to 12 were approved by the board of directors on 31 March 2003 and were signed on its behalf by:

  
C E Lynagh

Director

NOTES TO THE ACCOUNTS  
at 28 December 2002

1. ACCOUNTING POLICIES

**Going concern**

As shown in the balance sheet, the company has significant net current liabilities. These principally relate to amounts due to group undertakings. An intermediate parent company, TNT UK Limited, has indicated that it will continue to provide financial support. Funding will not be called in without alternative finance being made available to the company. Consequently the directors believe that it is appropriate for these accounts to be drawn up on a going concern basis.

**Accounting convention**

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

**Turnover**

Turnover represents the invoiced value of goods and services supplied during the year excluding value added tax.

**Cash flow**

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.

**Depreciation**

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and equipment	-	3 to 10 years
Transport vehicles	-	4 years
Computer equipment	-	2 to 5 years
Computer software	-	2 to 3 years

**Taxation including deferred taxation**

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred. The company has adopted the new Financial Reporting Standard, FRS 19, "Deferred Tax" during the current financial year. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not, that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

**Leasing commitments**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Pensions**

The company contributes to money purchase pension schemes in respect of certain employees. Contributions are charged in the profit and loss account as they become payable.

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS at 28 December 2002

### 2. TURNOVER

An analysis of turnover by geographical market is given below:

	2002 £	2001 £
United Kingdom	1,090,443	2,686,381
Rest of Europe	810,099	1,473,660
	<u>1,900,542</u>	<u>4,160,041</u>

### 3. OPERATING LOSS

This is stated after charging:

	2002 £	2001 £
Auditors' remuneration	12,000	12,000
Depreciation of owned fixed assets	104,013	90,096
Operating lease rentals - other	23,542	45,196
- land and buildings	116,172	138,365
Loss on foreign exchange	1,124	27,321
Loss on disposal of tangible fixed assets	22,133	-

Directors' emoluments for the year are £90,527 (2001 - £74,263). Company contributions paid to money purchase pension schemes in respect of one director were £7,481 (2001 - £7,210).

### 4. STAFF COSTS

	2002 £	2001 £
Wages and salaries	727,055	1,394,987
Social security costs	58,854	138,670
Other pension costs	10,954	20,487
	<u>796,863</u>	<u>1,554,144</u>

The monthly average number of employees during the year was as follows:

	2002 No.	2001 No.
Administration	16	32
Warehousing	32	66
	<u>48</u>	<u>98</u>



# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS at 28 December 2002

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank loans and overdraft	7,269	18,565
Other interest payable	1,855	23,127
Interest payable to parent undertaking	22,359	14,951
	<u>31,483</u>	<u>56,643</u>

### 6. TAXATION

	2002 £	2001 £
UK corporation tax credit on losses for the year	(143,172)	-

The tax assessed for the year does not equal the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002 £	2001 £
Loss on ordinary activities before taxation	(570,408)	(544,763)
Loss on ordinary activities multiplied by standard rate of corporation tax in UK 30% (2001: 30%)	(171,122)	(163,429)
Effects of:		
Permanent differences	2,172	3,408
Movement on accelerated capital allowances	37,558	27,487
Movement on tax losses	-	117,915
Movement on other timing differences	(11,779)	14,618
Current tax credit for period	<u>(143,172)</u>	<u>-</u>

As a result of the transfer of the trade and certain assets of the company on 28 December 2002 there will be no future tax charge or credit

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS at 28 December 2002

### 7. TANGIBLE FIXED ASSETS

	<i>Fixtures and Fittings</i>			
	<i>Transport</i>	<i>Plant and equipment</i>	<i>Computer equipment and software</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 January 2002	13,470	321,544	321,924	656,938
Additions	-	2,674	15,758	18,432
Disposals	(13,470)	(120,750)	(277,183)	(411,403)
Transfers	-	(203,468)	(60,499)	(263,967)
At 28 December 2002	-	-	-	-
Depreciation:				
At 1 January 2002	5,186	196,698	244,409	446,293
Provided during the year	3,199	32,171	68,643	104,013
Disposals	(8,385)	(115,840)	(259,827)	(384,052)
Transfers	-	(113,029)	(53,225)	(166,254)
At 28 December 2002	-	-	-	-
Net book amount:				
At 28 December 2002	-	-	-	-
At 1 January 2002	8,284	124,846	77,515	210,645

On 28 December 2002, fixed assets with a net book value of £117,154 were transferred to TNT UK Limited as part of the transfer of business (see note 15).

### 8. DEBTORS

	<i>2002</i>	<i>2001</i>
	£	£
Trade debtors	73,016	237,509
Amounts due from fellow subsidiary company	-	296,157
Prepayments and accrued income	-	198,792
Other debtors	35,650	67,442
Group relief recoverable	143,172	-
	<b>251,838</b>	<b>799,900</b>

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS at 28 December 2002

### 9. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	-	570,332
Trade creditors	50,244	239,814
Amounts owed to parent company	2,079,270	-
Amounts owed to group undertakings	-	1,360,956
Other taxation and social security costs	-	45,324
Accruals and deferred income	-	127,554
	<u>2,129,514</u>	<u>2,343,980</u>

### 10. DEFERRED TAX

	2002	2001 (restated)
	£	£
The elements of deferred taxation are as follows:		
Accelerated capital allowances	-	160,715
Other timing differences	-	11,779
Tax losses	-	769,058
Deferred tax asset/(liability)	<u>-</u>	<u>941,552</u>
Provision at beginning of year	-	-
Amount charged to profit and loss account (note 6)	-	-
Provision at end of year	<u>-</u>	<u>-</u>

The deferred tax asset arising in the prior period has not been recognised as it is not regarded as recoverable.

### 11. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2002	2001	2002	2001
	No.	No.	£	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>720,000</u>	<u>720,000</u>

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS at 28 December 2002

### 12. RESERVES

	<i>Profit and loss account £</i>
At 1 January 2002	(2,053,134)
Loss for the year	(427,236)
	<hr/>
At 28 December 2002	<b>(2,480,370)</b>
	<hr/>

### 13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>2002 £</i>	<i>2001 £</i>
Loss for the financial year	<b>(427,236)</b>	(544,763)
Opening shareholders' funds	<b>(1,333,134)</b>	(788,371)
	<hr/>	<hr/>
Closing shareholders' funds	<b>1,760,370</b>	1,333,134
	<hr/>	<hr/>

### 14. OTHER FINANCIAL COMMITMENTS

At 28 December 2002, the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating leases which expire:				
within one year	-	-	-	18,703
within two to five years	-	250,000	-	181,339
	<hr/>	<hr/>	<hr/>	<hr/>

# Bleckmann Distribution Limited

## NOTES TO THE ACCOUNTS at 28 December 2002

### 15. SALE OF BUSINESS

On 28 December 2002, the company transferred the trade and certain assets to its parent company, TNT UK Limited, at book value for a consideration of £1. The analysis of net assets sold, which the directors of both companies consider to be their fair value, is as follows:

	Book Value
	£
Tangible fixed assets	97,713
Amounts owed by fellow subsidiary undertakings	123,635
Prepayments and accrued income	96,555
Amounts owed to group undertakings	(254,480)
Accruals	(63,422)
<b>Net assets</b>	<b>1</b>
Consideration	1
<b>Profit on sale of business</b>	<b>-</b>

### 16. RELATED PARTIES

The company is controlled by Bleckmann (Holding) UK Limited, its immediate parent undertaking. The ultimate parent undertaking and controlling party is TPG NV. The company has taken advantage of the exemption under Financial Reporting Standard No. 8, paragraph 3(c), disclosing transactions with entities that are part of the group, where 90% or more of the voting rights of these entities are controlled within the group.

### 17. PARENT UNDERTAKINGS AND CONTROLLING PARTY

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