

Company Number 6459283

**THE BIG GREEN PARCEL HOLDING COMPANY LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2010**

The Big Green Parcel Holding Company Limited

**THE BIG GREEN PARCEL HOLDING COMPANY LIMITED**  
**Annual Report and Financial Statements**

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# The Big Green Parcel Holding Company Limited

## Directors' report

### For the year ended 31 December 2010

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2010.

#### Principal activities

The Group's principal activity comprises express parcel collection and delivery throughout the U.K., Ireland and internationally. This is carried out by the trading entity Tuffnells Parcels Express Limited. The remaining entities in the group act principally as intermediate holding companies.

#### Review of business and future prospects

The directors have continued to develop the business of the Group, and to maintain the focus of continuing to invest in infrastructure and computer related technology which will continue to improve the future prospects of the business.

#### Key Performance Indicators

Senior equity holders and key investors are also directors of the Company and are closely involved in the Group's operations. The Company's directors therefore believe that analysis of the Group's performance for the year using Key Performance Indicators is not necessary, as the shareholders already appropriately understand the development, performance and position of the Group.

#### Principal risks and uncertainties

Management consider that the key risks for the Group are the continuing competitive pressure within the parcel delivery sector. The Group manages the competition risk by striving to maintain and improve the quality of the service offered to its customers within a competitive price background. Despite the continuing difficult economic climate of 2010 the group has improved its service levels and has experienced a significant improvement in trading performance in the year to date.

#### Financial Instruments

The Group's financial instruments primarily comprise bank loans, finance leases and overdrafts. The principal purpose of these is to raise funds for the Groups operations. In addition various other financial instruments, such as trade creditors and trade debtors, arise directly from operations. The Group also enters into derivative transactions, primarily interest rate swaps, the purpose of which is to manage interest risk.

#### Financial risk management

The main financial risks, to which the Group has exposure, are interest rate risk, liquidity risk and credit risk. The Group borrows at fixed and floating rates of interest and makes use of interest rate swaps to generate the desired interest profile and to manage its exposure to interest rate fluctuation. In respect of liquidity risk, the Group aims to maintain a balance between continuity of funding and flexibility through the use of bank loans, finance leases and overdrafts. The group has implemented policies that require appropriate credit checks on potential customers before sales are made.

#### Transfer to reserves

The Group's profit on ordinary activities before taxation was £3,007,000 (2009: £1,177,000 profit). The directors do not recommend payment of a dividend and the retained profit of £1,762,000 (2009: £430,000) was transferred to group reserves.

# The Big Green Parcel Holding Company Limited

## Directors' report

### For the year ended 31 December 2010 (continued)

#### Directors

The directors who held office during the year and to the date of this report were as follows:

Mr L J C Dunn  
Mr P D Ashton  
Mr I P Brewer

Mr I P Brewer is also company secretary.

#### Employment of disabled persons

It is the group's practice to facilitate the employment of disabled persons and to provide, whenever possible, opportunities for training, career development and promotion. In the event of employees becoming disabled in the service of the group, every effort would be made to rehabilitate them in their former jobs or some other suitable alternative, and to provide appropriate training and specialist advice.

#### Employee involvement

As a key part of the group's philosophy, it continues to place great importance on involving employees in its operations. Regular meetings are held between employees and senior management to create the necessary attitudes and skills towards good communication and consultations. Through these meetings and the normal chain of command the group seeks to keep employees informed and involved in its activities.

#### Land and Buildings

In the opinion of the directors, there was no significant difference between the market value and book value of the properties at 31 December 2010.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and parent company 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 group and the company and of the profit or loss of the group 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# The Big Green Parcel Holding Company Limited

## Directors' report

### For the year ended 31 December 2010 (continued)

#### Disclosure of relevant information to auditors

For each person who is a director at the time of approval of this report:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors  
and signed on behalf of the Board



I P Brewer  
Company secretary

24 March 2011

# The Big Green Parcel Holding Company Limited

## **Independent auditors' report to the members of The Big Green Parcel Group Holding Company Limited**

We have audited the group and parent company financial statements (the "financial statements") of The Big Green Parcel Holding Company Limited for the year ended 31 December 2010 which comprise the consolidated Profit and Loss Account, the consolidated Statement of Total Recognised Gains and Losses, the consolidated and company Balance Sheets, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Big Green Parcel Holding Company Limited

**Independent auditors' report  
to the members of The Big Green Parcel Group Holding Company  
Limited (Continued)**

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



David Thurkettle (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Sheffield  
24 March 2011

The Big Green Parcel Holding Company Limited

**Consolidated profit and loss account**  
**For the year ended 31 December 2010**

	Note	2010 £'000	2009 £'000
Turnover	2	102,476	95,572
Costs and other operating charges	3	<u>(94,722)</u>	<u>(89,495)</u>
Operating Profit	5	7,754	6,077
<b>Operating profit before goodwill amortisation</b>			
		9,050	7,374
Goodwill amortisation	9	<u>(1,296)</u>	<u>(1,297)</u>
		7,754	6,077
<b>Profit on ordinary activities before interest and taxation</b>			
		7,754	6,077
Net interest payable and similar charges	6	<u>(4,747)</u>	<u>(4,900)</u>
<b>Profit on ordinary activities before taxation</b>		3,007	1,177
Tax on profit on ordinary activities	7	<u>(1,245)</u>	<u>(747)</u>
<b>Profit for the financial year</b>	19	<u><u>1,762</u></u>	<u><u>430</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no differences between the profit and loss account shown above and that prepared on a historical cost basis.

The Big Green Parcel Holding Company Limited

**Statement of total consolidated recognised gains and losses**  
**For the year ended 31 December 2010**

	Note	2010 £'000	2009 £'000
Profit for the financial year		1,762	430
Actuarial gain/(loss) relating to the pension scheme	23	568	(803)
UK deferred tax attributable to the pension scheme		<u>(162)</u>	<u>200</u>
Total recognised profit/(losses) for the year		<u>2,168</u>	<u>(173)</u>

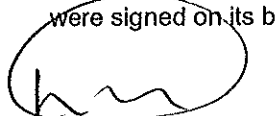
The Big Green Parcel Holding Company Limited

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**Consolidated balance sheet  
As at 31 December 2010**

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Intangible assets	9	22,007	23,303
Tangible assets	10	<u>21,122</u>	<u>21,565</u>
		43,129	44,868
<b>Current assets</b>			
Stocks	12	396	377
Debtors	13	12,813	10,542
Cash at bank and in hand	14	<u>1,953</u>	<u>2,652</u>
		15,162	13,571
<b>Creditors: amounts falling due within one year</b>	15	<u>(19,214)</u>	<u>(18,086)</u>
Net current liabilities		(4,052)	(4,515)
<b>Total assets less current liabilities</b>		39,077	40,353
<b>Creditors: amounts falling due after more than one year</b>			
Provision for liabilities	16	(33,537)	(36,568)
	17	<u>-</u>	<u>(10)</u>
<b>Net assets excluding pension liability</b>		5,540	3,775
Pension liability	23	<u>(315)</u>	<u>(718)</u>
<b>Net assets including pension liability</b>		<u>5,225</u>	<u>3,057</u>
<b>Capital and reserves</b>			
Called up share capital	18	118	118
Profit and loss account	19	(747)	(2,915)
Share premium	19	5,829	5,829
Capital redemption reserve	19	<u>25</u>	<u>25</u>
<b>Total Shareholders' funds</b>	20	<u>5,225</u>	<u>3,057</u>

The financial statements on pages 6 to 27 were approved by the Board of Directors on 24 March 2011 and were signed on its behalf by:



L J C Dunn  
Director

**Company balance sheet  
As at 31 December 2010**

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Investments	11	<u>17,977</u>	<u>17,977</u>
<b>Current assets</b>			
Debtors - due within one year	13	-	-
- due after one year	13	<u>17,713</u>	<u>13,113</u>
		17,713	13,113
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,494)</u>	<u>(4,261)</u>
Net current assets		<u>14,219</u>	<u>8,852</u>
<b>Total assets less current liabilities</b>		<b>32,196</b>	<b>26,829</b>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(21,392)</u>	<u>(19,134)</u>
<b>Net assets</b>		<u><b>10,804</b></u>	<u><b>7,695</b></u>
<b>Capital and reserves</b>			
Called up share capital	18	118	118
Profit and loss account	19	4,832	1,723
Share premium		5,829	5,829
Capital redemption reserve		25	25
<b>Total Shareholders' funds</b>	20	<u><b>10,804</b></u>	<u><b>7,695</b></u>

The financial statements on pages 6 to 27 were approved by the Board of Directors on 24 March 2011 and were signed on its behalf by:



L J C Dunn  
Director

The Big Green Parcel Holding Company Limited

**Consolidated cash flow statement**  
**For the year ended 31 December 2010**

	Notes	2010 £'000	2009 £'000
<b>Net cash inflow from operating activities</b>	25	<u>11,029</u>	<u>10,223</u>
<b>Returns on investments and servicing of finance</b>			
Interest paid		<u>(3,519)</u>	<u>(3,635)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(3,519)</u>	<u>(3,635)</u>
<b>Taxation</b>		<u>(1,031)</u>	<u>(529)</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(651)	(845)
Sale of tangible fixed assets		48	-
<b>Net cash inflow before financing</b>		<u>5,876</u>	<u>5,214</u>
<b>Financing</b>			
Issue of ordinary share capital		-	85
Repayment of debt		(4,534)	(3,680)
Capital element of finance leases and hire purchase contract rentals		<u>(2,041)</u>	<u>(2,532)</u>
<b>Net cash outflow from financing</b>		<u>(6,575)</u>	<u>(6,127)</u>
<b>Decrease in cash in the year</b>	26,27	<u><u>(699)</u></u>	<u><u>(913)</u></u>

# The Big Green Parcel Holding Company Limited

## Notes to the financial statements For the year ended 31 December 2010

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. At 31 December 2010 the Group has net current liabilities of £4,052,000 (2009; £4,515,000). Having taken into account the forecast profitability and cashflows of the Group, the directors consider it appropriate to prepare the financial statements on a going concern basis.

A summary of the main accounting policies, which have been applied consistently, is set out below:

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary companies for the year ended 31 December 2010. The subsidiary undertakings have been accounted for under the acquisition method of accounting.

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic cost or valuation less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition.

Depreciation is calculated to write off the cost or valuation of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates of depreciation are as follows:

Freehold and long leasehold land	Nil
Freehold and long leasehold buildings	2%-5%
Short leaseholds (less than 50 years to run)	Lease life
Motor vehicles and trailers	12.5%-25%
Plant, fixtures and fittings	10%-40%

#### **Intangible fixed assets**

Goodwill arising on the acquisition of the issued share capital of The Big Green Parcel Group Limited, representing any excess of the fair value of the consideration given over the fair value of the net assets acquired is capitalised and written off on a straight line basis over its useful economic life, estimated at 20 years. Provision is made for any impairments.

#### **Financial Instruments**

The group uses financial instruments to manage its exposures to movements in underlying factors. No speculative financial instruments are taken out. The main financial instruments are:

##### *Debt Instruments*

All borrowings are initially stated at the fair value of the consideration received after the deduction of loan finance costs. In accordance with Financial Reporting Standard 4, these costs are charged to the profit and loss account over the directors' estimate of the life of the relevant borrowings.

##### *Interest rate swaps*

These are used to manage interest rate exposures. Amounts payable or receivable in respect of these agreements are recognised as adjustments to interest expense over the period of the contracts. The cash flows from, and gains or losses arising on termination of these contracts are recognised as returns on investments and servicing of finance.

# The Big Green Parcel Holding Company Limited

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

#### Leases and hire purchase contracts

Assets obtained under finance leases and hire purchase contracts are recorded in the balance sheet as tangible fixed assets, initially at fair value, and depreciated over the shorter of the lease term or their estimated useful life. Future rental obligations are included with borrowings. The interest element of the rental payable is charged to the profit and loss account over the period of the lease using the actuarial method.

Operating lease rentals are charged to the profit and loss account in the year in which they arise.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents the direct cost of stocks.

#### Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

#### Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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.

#### Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

# The Big Green Parcel Holding Company Limited

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

#### 2. Turnover

Turnover represents the invoiced amount of sales, net of VAT and constitutes one class of business. Revenue is recognised upon satisfactory delivery of parcels collected.

#### 3. Costs and other operating charges

	2010 £'000	2009 £'000
Raw materials and consumables	12,672	10,806
Other external charges	30,920	28,660
Staff costs (note 4)	37,377	36,881
Depreciation	2,463	2,648
Goodwill amortisation	1,296	1,297
Other operating charges	9,994	9,203
	<u>94,722</u>	<u>89,495</u>

#### 4. Information regarding directors and employees

	2010 £'000	2009 £'000
Directors' remuneration		
Directors' emoluments	<u>338</u>	<u>532</u>

##### *Pensions*

Two directors were members of the Group's defined benefit pension scheme.

##### *Highest paid director*

In the year ended 31 December 2010 the highest paid director earned emoluments of £193,000 (2009: £346,000) and had an accrued pension of £16,000 (2009: £13,000) in the defined benefit scheme.

The Big Green Parcel Holding Company Limited

**Notes to the financial statements**

**For the year ended 31 December 2010 (continued)**

	2010 Number	2009 Number
<b>Average monthly number of persons employed (including directors)</b>		
Haulage	1,375	1,326
Office and management	450	440
	<u>1,825</u>	<u>1,766</u>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs (including directors)</b>		
Wages and salaries	34,127	33,601
Social security costs	3,046	3,072
Pension costs	204	208
	<u>37,377</u>	<u>36,881</u>

**5. Operating profit**

	2010 £'000	2009 £'000
<b>Operating profit is stated after charging:</b>		
Rentals under operating leases: - plant and machinery	7,934	7,118
- other	963	892
Auditors' remuneration:		
- audit	10	10
- audit of subsidiaries	20	18
- taxation	8	7
Depreciation - owned assets	1,365	732
- assets held on finance leases and hire purchase contracts	1,098	1,916
Amortisation of goodwill	<u>1,296</u>	<u>1,297</u>

**6. Net interest payable and similar charges**

	2010 £'000	2009 £'000
Short term borrowings	192	162
Bank loans and other loans repayable after five years	1,965	2,320
Interest payable under interest swap agreements	1,410	1,172
Finance leases and hire purchase contracts	215	317
Interest receivable	(4)	(8)
Finance charges	984	984
Preference dividend	6	7
Net return on pension scheme	(21)	(54)
	<u>4,747</u>	<u>4,900</u>

The Big Green Parcel Holding Company Limited

**Notes to the financial statements**

**For the year ended 31 December 2010 (continued)**

**7. Tax on profit on ordinary activities**

	2010 £'000	2009 £'000
UK Corporation tax at 28% (2009: 28%)	1,390	806
Adjustment in respect of prior years	<u>(54)</u>	<u>(2)</u>
Total current taxation	1,336	804
Deferred taxation:		
Timing differences, origination and reversal	<u>(91)</u>	<u>(57)</u>
	<u><u>1,245</u></u>	<u><u>747</u></u>

The rate of tax for the year, based on the UK standard rate of corporation tax, is 28% (2009: 28%). The actual tax charge for the current year and the previous period differs to the standard rate for the reasons set out in the following reconciliation.

	2010 £'000	2009 £'000
<b>Profit on ordinary activities before tax</b>	<u>3,007</u>	<u>1,177</u>
Tax on profit on ordinary activities at standard rate	842	330
<b>Factors affecting the charge for the year:</b>		
Capital allowances in excess of depreciation	113	141
Expenses not deductible for tax purposes	460	445
Movement in pension short term timing differences	1	(25)
Movement in other short term timing differences	(22)	(85)
Adjustment in respect of prior years	(54)	(2)
Rate differences	<u>(4)</u>	<u>-</u>
Total actual amount of current tax	<u><u>1,336</u></u>	<u><u>804</u></u>

**8. Profit of parent company**

The profit for the financial year dealt with in the financial statements of the parent company is £3,109,000 (2009: £1,323,000).

The company has taken advantage of Section 408 of the Companies Act 2006 and consequently a profit and loss account for the parent company alone is not presented.

The Big Green Parcel Holding Company Limited

**Notes to the financial statements**

**For the year ended 31 December 2010 (continued)**

**9. Intangible assets**

Group	£'000
<b>Cost</b>	
At 1 January and 31 December 2010	<u>25,627</u>
<b>Amortisation</b>	
On 1 January 2010	2,324
Charge for year	<u>1,296</u>
At 31 December 2010	<u>3,620</u>
<b>Net book value</b>	
At 31 December 2010	<u>22,007</u>
At 31 December 2009	<u>23,303</u>

Following a review of the assets acquired it was determined that there was no difference between book value and provisional fair value of the assets being acquired.

The company does not hold any intangible assets.

The Big Green Parcel Holding Company Limited

Notes to the financial statements

For the year ended 31 December 2010 (continued)

10. Tangible assets

Group	Land and buildings			Motor vehicles and trailers £'000	Plant fixtures and fittings £'000	Total £'000
	Freehold £'000	Long leasehold £'000	Short leasehold £'000			
<b>Cost</b>						
On 1 January 2010	14,196	1,412	56	4,648	5,392	25,704
Additions	84	6	157	572	1,234	2,053
Disposals	-	-	-	(366)	(117)	(483)
<b>At 31 December 2010</b>	<b>14,280</b>	<b>1,418</b>	<b>213</b>	<b>4,854</b>	<b>6,509</b>	<b>27,274</b>
<b>Accumulated Depreciation</b>						
On 1 January 2010	352	48	25	1,289	2,425	4,139
Charge for the year	226	26	17	908	1,286	2,463
Disposals	-	-	-	(366)	(84)	(450)
<b>At 31 December 2010</b>	<b>578</b>	<b>74</b>	<b>42</b>	<b>1,831</b>	<b>3,627</b>	<b>6,152</b>
<b>Net book value At 31 December 2010</b>	<b>13,702</b>	<b>1,344</b>	<b>171</b>	<b>3,023</b>	<b>2,882</b>	<b>21,122</b>
At 31 December 2009	13,844	1,364	31	3,359	2,967	21,565

The net book value of assets held under finance leases and hire purchase contracts at 31 December 2010 amounted to £3,201,716 (2009: £4,652,000).

The company does not hold any tangible fixed assets.

# The Big Green Parcel Holding Company Limited

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

#### 11. Investments

Company	Ordinary shares in subsidiary undertakings £'000
At cost	
At 1 January and 31 December 2010	<u>17,977</u>

Shares in subsidiary undertakings are as follows:

Name of company	Country of Registration	Principal Activity	Class and percentage of shares held
The Big Green Parcel Group Limited	England	Non-trading	Ordinary 100%

In addition the company has an indirect holding of 100% in:

Name of company	Country of Registration	Principal Activity	Class and percentage of shares held
The Big Green Euro Machine Limited	England	Non-trading	Ordinary 100%
Tuffnells Parcels Express Limited	England	Express Parcel Carriers	Ordinary 100%
The Big Green Parcel Machine Limited	England	Non-trading	Ordinary 100%

#### 12. Stocks

	2010 £'000	2009 £'000
Consumables	<u>396</u>	<u>377</u>

The company does not hold any stocks.

The Big Green Parcel Holding Company Limited

**Notes to the financial statements**

**For the year ended 31 December 2010 (continued)**

**13. Debtors**

	Group £'000	2010 Company £'000	Group £'000	2009 Company £'000
<b>Amounts falling due within one year</b>				
Trade debtors	7,639	-	7,245	-
Other debtors	2,250	-	795	-
Prepayments	2,843	-	2,502	-
Deferred tax asset	81	-	-	-
	<u>12,813</u>	<u>-</u>	<u>10,542</u>	<u>-</u>
<b>Amounts falling due after more than one year</b>				
Amount owed by subsidiary undertaking	-	17,713	-	13,113
	<u>12,813</u>	<u>17,713</u>	<u>9,038</u>	<u>13,113</u>

**14. Restricted cash**

Included in Cash at Bank and in Hand at 31 December 2009 were two guaranteed fixed deposit accounts totalling of £225,000; these were released back into cash reserves during 2010.

**15. Creditors: amounts falling due within one year**

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Short term borrowings	2,052	-	1,523	-
Bank loan (secured - note 24)	3,384	3,384	4,208	3,901
Obligations under finance leases and hire purchase contracts	1,115	-	1,719	-
Trade creditors	6,307	-	5,371	-
Other taxation and social security	2,860	-	2,305	-
Corporation tax	591	-	288	-
Other creditors	1,151	2	1,097	-
Accruals	1,754	108	1,575	360
	<u>19,214</u>	<u>3,494</u>	<u>18,086</u>	<u>4,261</u>

**Notes to the financial statements**

**For the year ended 31 December 2010 (continued)**

**16. Creditors: amounts falling due after more than one year**

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans	31,865	11,499	34,828	15,303
Obligations under finance leases and hire purchase contracts	1,572	-	1,640	-
Amounts owed to subsidiary undertakings	-	9,793	-	3,731
Preference share capital	100	100	100	100
	<u>33,537</u>	<u>21,392</u>	<u>36,568</u>	<u>19,134</u>
Analysis of loan repayments:				
Bank loans				
- Within one year	3,437	3,437	4,500	3,975
- Between two and five years	32,802	11,571	35,818	15,427
- Greater than 5 years	-	-	-	-
- Less prepaid finance charges	(990)	(124)	(1,282)	(198)
	<u>35,249</u>	<u>14,884</u>	<u>39,036</u>	<u>19,204</u>
Finance leases and hire purchase contracts				
- Within one year	1,115	-	1,719	-
- Between two and five years	1,572	-	1,640	-
	<u>2,687</u>	<u>-</u>	<u>3,359</u>	<u>-</u>

Interest on the bank loans is charged at between 2.5% - 5% above the LIBOR rate. The bank loans are secured on certain assets of the Group.

Amounts outstanding in relation to finance lease and hire purchase contracts are secured upon the assets to which they relate.

The preference shares, which do not carry any voting rights, were issued in 2008 at par value of £1 per share and are redeemable at subscription price, plus any dividend arrears, at the earlier of the mezzanine discharge date, the final repayment date, being 31 December 2014, or a sale, listing or refinancing event. In priority to payment of any dividend to all other shareholders, preference shareholders are entitled to receive a fixed cumulative dividend at a rate of 5% above LIBOR on the subscription price, payable in arrears on a quarterly basis from 1 March 2008. On winding up, the preference shareholders rank above ordinary shareholders and are entitled to an amount equal to the subscription price, plus any dividend arrears, to be paid from surplus assets of the company remaining after the payment of liabilities.

The Big Green Parcel Holding Company Limited

**Notes to the financial statements**  
**For the year ended 31 December 2010 (continued)**

**17. Deferred tax**

Group		<b>£'000</b>
On 1 January 2010		(10)
Credited to the profit and loss account		91
At 31 December 2010 – see note 13		<u>81</u>
	<b>2010</b>	<b>2009</b>
<b>Deferred tax relating to pension deficit:</b>	<b>£'000</b>	<b>£'000</b>
At 1 January	279	79
Credited/charged to the statement of total recognised gains and losses	(162)	200
	<u>117</u>	<u>279</u>

The amounts of deferred taxation provided in the financial statements are as follows.

Group	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Capital allowances in excess of depreciation	(69)	40
Other short term timing differences	(12)	(30)
	<u>(81)</u>	<u>10</u>

The Group has unprovided deferred tax of £nil (2009: £nil).

The company has no provided or unprovided deferred tax.

**18. Called up share capital**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
850,000 Ordinary shares of 10 pence - equity	85	85
364,286 A Ordinary Shares of 10 pence - equity	36	36
	<u>121</u>	<u>121</u>
<b>Allotted, issued and fully paid</b>		
813,574 Ordinary shares of 10 pence - equity	82	82
364,286 A Ordinary Shares of 10 pence - equity	36	36
	<u>118</u>	<u>118</u>

The A ordinary shares stand equally with the ordinary shares in relation to voting and dividend rights.

The Big Green Parcel Holding Company Limited

**Notes to the financial statements**

**For the year ended 31 December 2010(continued)**

**19. Statement of movement on reserves**

Group	Capital redemption reserve £'000	Profit and loss account £'000	Share premium £'000
On 1 January 2010	25	(2,915)	5,829
Profit for the financial year	-	1,762	-
Actuarial loss relating to the pension scheme	-	568	-
Deferred tax movement in respect of the pension scheme	-	(162)	-
<b>At 31 December 2010</b>	<b>25</b>	<b>(747)</b>	<b>5,829</b>

Company	Capital redemption reserve £'000	Profit and loss account £'000	Share premium £'000
On 1 January 2010	25	1,723	5,829
Profit for the financial year	-	3,109	-
<b>At 31 December 2010</b>	<b>25</b>	<b>4,832</b>	<b>5,829</b>

**20. Reconciliation of movement in equity shareholders' funds**

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Profit for the financial year	1,762	3,109	430	1,323
Actuarial gain/(loss) relating to the pension scheme	568	-	(803)	-
Deferred tax movement in respect of the pension scheme	(162)	-	200	-
Net addition/(reduction in) to equity shareholders' funds	2,168	3,109	(173)	1,323
Opening equity shareholders' funds	3,057	7,695	3,145	6,287
New share capital issued	-	-	9	9
Share premium	-	-	76	76
Closing equity shareholders' funds	<b>5,225</b>	<b>10,804</b>	<b>3,057</b>	<b>7,695</b>

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

#### 21. Capital commitments

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Authorised and contracted for	<u>90</u>	<u>-</u>	<u>150</u>	<u>-</u>

#### 22. Operating lease commitments

At the end of the financial year the group had annual commitments under non-cancellable operating leases as follows:

	2010		2009	
	Plant and Equipment £'000	Land and Buildings £'000	Plant and Equipment £'000	Land and Buildings £'000
Expiring within one year	548	40	551	-
Expiring between two and five years	6,349	825	5,057	498
Expiring after five years	86	55	624	394
	<u>6,983</u>	<u>920</u>	<u>6,232</u>	<u>892</u>

#### 23. Pensions

The group operates a number of pension schemes. The Tuffnells Parcels Express Pension Scheme is a defined benefit scheme operated for existing members and senior members of staff. The last formal valuation of the scheme had an effective date of 1 April 2010. The scheme is closed to new entrants. Other members of staff are eligible to join the Prudential Money Purchase Pension Scheme, a defined contribution scheme which is fully funded. There is also a Stakeholder scheme with Norwich Union which all relevant employees are eligible to join.

The total pension charge for the year was £204,000 (2009: £208,000). The charge for defined contribution schemes was £61,000 (2009: £122,000)

The full actuarial valuation of the defined benefit scheme, carried out as at 1 April 2010, has been updated to 31 December 2009 by a qualified independent actuary to comply with FRS 17. The major assumptions used for the actuarial valuation were:

	2010	2009
Rate of increase in salaries	4.00%	4.15%
Rate of increase of pensions in payment	3.50%	3.65%
Discount rate	5.50%	5.75%
Inflation assumption	3.50%	3.65%
Expected return on scheme assets	6.11%	7.10%
The assumed life expectations on retirement are:		
Retiring today: Males	84.9	83.1
Females	87.6	86.1
Retiring in 20 years: Males	86.6	84.3
Females	89.4	87.3

# The Big Green Parcel Holding Company Limited

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Changes in assumption	Impact on scheme liabilities
Discount rate	Decrease by 1.0% per year	Increase by 23.3%
Rate of inflation	Decrease by 0.1% per year	Reduce by 1.3%
Rate of salary growth	Decrease by 0.5% per year	Reduce by 2.4%
Mortality	Increase by 1% per year (medium cohort)	Increase by 3.3%

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were:

	2010 %	2010 £'000	2009 %	2009 £'000
Equities	7.00	5,162	7.50	4,999
Bonds	-	-	5.75	1,440
Swap contracts	4.25	2,358	-	-
Cash/other	0.50	35	0.50	42
Total fair value of assets		<u>7,555</u>		<u>6,481</u>
Present value of scheme liabilities		<u>(7,987)</u>		<u>(7,478)</u>
Deficit in the scheme		<u>(432)</u>		<u>(997)</u>
Related deferred tax asset		<u>117</u>		<u>279</u>
Net pension liability		<u><u>(315)</u></u>		<u><u>(718)</u></u>

The contribution rates throughout the year were 13.9% (2009: 13.9%) for the employer and 5% (2009: 5%) for employees.

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

#### Analysis of the amount charged to operating profit under FRS 17

	2010 £'000	2009 £'000
Current service cost	(143)	(86)
Past service cost	-	-
	<u><u>(143)</u></u>	<u><u>(86)</u></u>

#### Analysis of the amount credited/(charged) to other financial income under FRS 17

	2010 £'000	2009 £'000
Expected return on pension scheme assets	454	414
Interest on pension scheme liabilities	(433)	(360)
	<u><u>21</u></u>	<u><u>54</u></u>

Actuarial gains and losses have been reported in the statement of total recognised gains and losses. The actual return on scheme assets was £1,176,000 (2009: £1,174,000).

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

Movements in the present value of defined benefit obligations were as follows:

	2010 £'000	2009 £'000
On 1 January	7,478	5,581
Service cost	143	86
Interest cost	433	360
Contributions from scheme members	43	43
Actuarial losses	154	1,563
Benefits paid	(264)	(155)
Past service cost	-	-
<b>At 31 December</b>	<b><u>7,987</u></b>	<b><u>7,478</u></b>

Movements in the fair value of scheme assets were as follows:

	2010 £'000	2009 £'000
On 1 January	6,481	5,298
Expected return on scheme assets	454	414
Actuarial gains	722	760
Contributions by the company	119	121
Contributions by members	43	43
Benefits paid	(264)	(155)
<b>At 31 December</b>	<b><u>7,555</u></b>	<b><u>6,481</u></b>

#### History of experience gains and losses

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Scheme assets	7,555	6,481	5,298	6,156	5,631
Defined benefit obligation	<u>(7,987)</u>	<u>(7,478)</u>	<u>(5,581)</u>	<u>(6,178)</u>	<u>(5,702)</u>
Deficit	(432)	(997)	(283)	(22)	(71)
Difference between the expected and actual return on scheme assets:					
Amount	722	760	(1,447)	(22)	223
Experienced gains/(losses) on scheme liabilities:					
Amount	(154)	(1,563)	1,076	(157)	147
<b>Total actuarial gains &amp; losses recognised in the Statement of Total Recognised Gains and Losses</b>	<b>568</b>	<b>(803)</b>	<b>(371)</b>	<b>(179)</b>	<b>370</b>

The estimated amounts of company contributions expected to be paid to the scheme during the year ended 31 December 2010 is £136,000 (2009: £143,000).

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

#### 24. Contingent liabilities

The company has guaranteed the loans and bank overdrafts of all group companies by way of a cross-guarantee dated 20 March 2008 and a debenture providing legal charges over the group's properties. At 31 December the total borrowings covered by these guarantees were £38,291,000 (2009: £41,841,000).

#### 25. Reconciliation of operating profit to net cash inflow from operating activities

	2010 £'000	2009 £'000
Operating profit	7,754	6,077
Depreciation charges	2,463	2,648
Amortisation of goodwill	1,296	1,297
Increase in stocks	(19)	(88)
Increase in debtors	(2,191)	(35)
Increase in creditors	1,750	359
Pension liability payment difference between pension charge and cash contributions	(24)	(35)
<b>Net cash inflow from operating activities</b>	<b><u>11,029</u></b>	<b><u>10,223</u></b>

#### 26. Analysis of changes in net debt

	At 1 January 2010 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 December 2010 £'000
Cash at bank and in hand	2,652	(699)		1,953
Debt due within one year	(5,731)	3,971	(3,676)	(5,436)
Debt due after one year	(34,828)	563	2,400	(31,865)
Preference share capital	(100)	-	-	(100)
Finance leases and hire purchase contracts	(3,359)	2,041	(1,369)	(2,687)
<b>Net Debt</b>	<b><u>(41,366)</u></b>	<b><u>5,876</u></b>	<b><u>(2,645)</u></b>	<b><u>(38,135)</u></b>

Non-cash changes arise as result of changes in the loan premium accruals in the year, the movement in the debt ageing profile and new finance leases entered into in the year.

## Notes to the financial statements

### For the year ended 31 December 2010 (continued)

#### 27. Reconciliation of net cash flow to movement in net debt

	2010 £'000	2009 £'000
Decrease in cash in the year	(691)	(913)
Cash outflow from decrease in debt and lease financing	6,575	6,212
Change in net debt resulting from cash flows	5,876	5,299
New finance leases and hire purchase contracts	(1,369)	(711)
Loan redemption premium accrued	(984)	(984)
Pre-paid finance charges	(292)	(316)
Movement in net debt	3,231	3,288
Net debt at start of year	(41,366)	(44,654)
Net debt at end of year	(38,135)	(41,366)

#### 28. Related party transactions

The group has taken advantage of the exemptions within Financial Reporting Standard 8 and has not disclosed transactions with other group companies. There were no other related party transactions in the year.

#### 29. Ultimate controlling party

In the opinion of the directors, the group does not have an ultimate controlling party.