

Registered Number 3693913

Royal Mail Enterprises Limited
Annual Report and Financial statements
2009 – 2010

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Royal Mail Enterprises Limited

Contents

Directors' Report	3
Statement of Directors' responsibilities in respect of the financial statements	4
Independent Auditor's Report to the members of Royal Mail Enterprises Limited	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Reconciliation of movements in shareholder's funds	7
Balance sheet	8
Notes to the financial statements	9

Royal Mail Enterprises Limited

Directors' Report

The Directors present the Annual Report and Financial Statements for Royal Mail Enterprises Limited (the Company). These financial statements relate to the 52 weeks ended 28 March 2010 (2009 52 weeks ended 29 March 2009).

Principal activities

The Company acts as a holding company for the National Lottery related investments of Royal Mail Group Ltd.

Review of the business and future developments

The Company continues to hold investments in Camelot Group plc and Camelot Global Services Limited. However, on 25 March 2010, Royal Mail agreed to sell its 20% shareholding in Camelot Group plc.

Results and dividends

The profit after taxation was £6m (2009 £10m), consisting of dividends received from Camelot Group plc of £6m (2009 £10m). The movement in reserves is shown in note 10 to the financial statements. The Directors do not recommend a dividend (2009 nil dividend).

Directors and their interests

The following have served as Directors of the Company during the year ended 28 March 2010 and up to the date of approval of these financial statements:

Mark Thomson

Mick Jeavons Appointed 28 June 2010

Ian Duncan Resigned 15 June 2010

No Director has a beneficial interest in the share capital of the Company.

Audit information

The Directors confirm that so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Qualifying third party indemnity provisions for Directors

A partial qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006) was and remains in force for the benefit of all Directors of Royal Mail Enterprises Limited. The indemnity is granted under article 129 of the Articles of Association of the Company's ultimate parent company Royal Mail Holdings plc. The indemnity is partial in that it does not allow the Company to cover the costs of an unsuccessful defence of a third party claim.

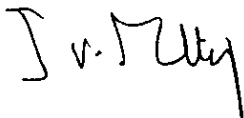
Going concern

After analysis of the net assets position of the Company the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

Auditor

The auditor is deemed to be reappointed under section 487(2) of the Companies Act 2006.

By Order of the Board



Jon Millidge
Secretary
London
20 July 2010

Royal Mail Enterprises Limited

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the Directors are required to

- select suitable accounting policies and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records 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 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.

Royal Mail Enterprises Limited

Independent Auditor's Report to the members of Royal Mail Enterprises Limited

We have audited the financial statements of Royal Mail Enterprises Limited for the year ended 28 March 2010 which comprise the profit and loss account statement of total recognised gains and losses reconciliation of movements in shareholders funds balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

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 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.

Opinion on financial statements

In our opinion the Company financial statements

- give a true and fair view of the state of the Company's affairs as at 28 March 2010 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

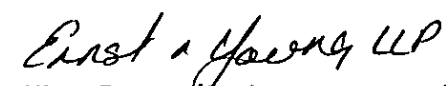
In our opinion

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Company's financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company financial statements to be audited 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


Alison Duncan (Senior statutory auditor)
for and on behalf of Ernst & Young LLP
Statutory auditor
London
22 July 2010

Royal Mail Enterprises Limited

Profit and loss account

for the 52 weeks ended 28 March 2010 and 29 March 2009

	Notes	2010 £m	2009 £m
Income from investments		6	10
Profit on ordinary activities before taxation		6	10
Taxation	5	-	-
Profit for the year	10	6	10

Royal Mail Enterprises Limited

Statement of total recognised gains and losses for the 52 weeks ended 28 March 2010 and 29 March 2009

There are no recognised gains and losses other than the profit attributable to the Company of £6m (2009 £10m)

There is no statement of historical cost profits and losses as the financial statements are produced under the historic cost accounting convention

Reconciliation of movements in shareholder's funds for the 52 weeks ended 28 March 2010 and 29 March 2009

	2010	2009
	£000	£000
Opening shareholder's funds	45	35
Profit for the financial year	6	10
Closing shareholder's funds	51	45

Royal Mail Enterprises Limited

Balance sheet

at 28 March 2010 and 29 March 2009

	Notes	2010 £m	2009 £m
Fixed assets			
Investments in associates	6	31	31
Total fixed assets		31	31
Current assets			
Debtors – receivable within one year	7	1	-
Debtors – receivable beyond one year	8	19	14
Net current assets		20	14
Net assets		51	45
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	51	45
Shareholder's funds		51	45

The financial statements on pages 6 to 11 were approved by the Board of Directors on 20 July 2010 and signed on its behalf by



Mark Thomson

Royal Mail Enterprises Limited

Notes to the financial statements

1. Accounting policies

The Company has applied the following accounting policies

Financial year

The financial year ends on the last Sunday in March and accordingly, these financial statements are made up to the 52 weeks ended 28 March 2010 (2009 52 weeks ended 29 March 2009)

Basis of preparation

The financial statements on pages 6 to 11 have been prepared in accordance with applicable UK Accounting Standards and law, including the requirements of the Companies Act 2006. Unless otherwise stated in the accounting policies below, the financial statements have been prepared under the historic cost accounting convention.

No new UK Accounting Standards, which affect the presentation of these financial statements, have been issued.

No cash flow statement has been presented as the Company is a wholly owned subsidiary of a company which has presented a consolidated cash flow statement within its Group financial statements.

Investments in associates

Investments in associates within the Company's financial statements are stated at cost less any accumulated impairment losses.

2. Staff costs

The Company has no employees (2009 no employees)

3. Auditor's remuneration

Auditor's remuneration amounted to £4,750 (2009 £5,000) for the audit of the statutory financial statements and was met by the immediate parent company, Royal Mail Group Ltd.

4. Directors' emoluments

The Directors do not perform any qualifying services as Directors of the Company in connection with the management of the affairs of the Company or any of its subsidiary undertakings. The Directors are therefore not paid fees by the Company for their services as Directors of the Company. The Directors' emoluments are paid by other companies in the Royal Mail Holdings plc Group of companies.

The emoluments of the Director of the Company who is also a Director of Royal Mail Holdings plc are disclosed in the Royal Mail Holdings plc Group Annual Report and Financial Statements.

5. Taxation

There is no tax charge or credit (2009 nil). The Company has no profits other than exempt dividends receivable.

Royal Mail Enterprises Limited

6. Investments in associates

The Company has a 20% investment in both Camelot Group plc and Camelot Global Services Limited, both of which are located in the UK and which are classified as associates in the financial statements of Royal Mail Holdings plc. The principal activities of Camelot Group plc relate to the operation of the UK National Lottery.

	2010 £m	2009 £m
Cost		
At 30 March 2009 and 31 March 2008	32	32
At 28 March 2010 and 29 March 2009	32	32
Impairment		
At 30 March 2009 and 31 March 2008	1	1
At 28 March 2010 and 29 March 2009	1	1
Net book value		
At 28 March 2010 and 29 March 2009	31	31
At 30 March 2009 and 31 March 2008	31	31

7. Debtors receivable within one year

	2010 £m	2009 £m
Amount due from associate	1	-

8. Debtors receivable beyond one year

	2010 £m	2009 £m
Amount due from parent company	19	14

9. Called up share capital

The authorised share capital is 1,000 (2009 1,000) ordinary £1 shares. Allotted, called up and fully paid share capital is one ordinary share, beneficially owned by Royal Mail Group Ltd.

10. Reserves

	Profit and loss account	
	2010 £m	2009 £m
At 30 March 2009 and 31 March 2008	45	35
Profit for the financial year	6	10
At 28 March 2010 and 29 March 2009	51	45

Royal Mail Enterprises Limited

11 Related party disclosures

Associates

The following company's are associates of Royal Mail Enterprises Limited

Associate company	Country of incorporation	% Holding	Principal activities
Camelot Group plc	United Kingdom	20	Operation and promotion of the National Lottery
Camelot Global Services Limited	United Kingdom	20	Operation and promotion of the Lottery

Related party transactions

The Company has taken advantage of one of the exemptions conferred by FRS 8 'Related party disclosures', whereby certain details regarding transactions with 100% owned subsidiaries within the same Group do not have to be disclosed where Group financial statements are publicly available

During the year the Company entered into transactions with other entities within the same Group but which are less than 100% owned. The transactions were in the ordinary course of business. The transactions entered into and the balances outstanding at the financial year end were as follows

	Dividends received from related party		Amounts owed from related party including outstanding loans	
	2010 £m	2009 £m	2010 £m	2009 £m
Camelot Group plc	6	10	-	-
Camelot Global Services Limited	-	-	1	-

12 Post balance sheet event

On 8 July 2010 the Company sold its investments in Camelot Group plc and Camelot Global Services Limited. This transaction resulted in a profit of £40m on disposal of investments in associates.

13. Immediate and ultimate parent company

At 28 March 2010, the Directors regarded Royal Mail Group Ltd as the immediate parent company and Royal Mail Holdings plc as the ultimate parent company. The results of the Company form part of the Royal Mail Holdings plc Group Annual Report and Financial Statements, which are available from that company's website www.royalmailgroup.com or from the Company Secretary, 100 Victoria Embankment, London EC4Y 0HQ.