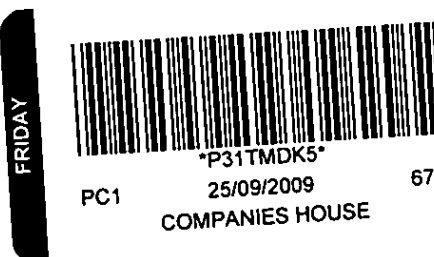


Registered Number 3693913

# **Royal Mail Enterprises Limited**

## **Accounts**

**2008 - 2009**



# Royal Mail Enterprises Limited

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# Royal Mail Enterprises Limited

## Directors' Report

The Directors present the accounts for Royal Mail Enterprises Limited (the Company). These accounts relate to the 52 weeks ended 29 March 2009 (2008 53 weeks ended 30 March 2008).

### 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.

### Results and dividends

The profit after taxation was £9,896,334 (2008 £7,222,226), consisting of dividends received from Camelot Group plc of £9,896,334 (2008 £7,222,226).

The movements in reserves are shown in note 9 to the accounts.

The Directors do not recommend a dividend (2008 nil dividend).

### Directors and their interests

The following have served as Directors of the Company during the year ended 29 March 2009 and up to the date of approval of these accounts:

Ian Duncan

Mark Thomson

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 and in taking the view that the Company will continue to receive dividend income from its associate company investments, 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



**Jonathan Evans**

Secretary

London

8 September 2009

## Royal Mail Enterprises Limited

### **Statement of Directors' responsibilities in respect of the accounts**

The Directors are responsible for preparing 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 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.

## Royal Mail Enterprises Limited

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

We have audited the Company's financial statements for the 52 weeks ended 29 March 2009 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The Directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 financial statements 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 financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 29 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**Ernst & Young LLP**

Registered auditor

London

9 September 2009

# Royal Mail Enterprises Limited

## Profit and loss account

for the 52 weeks ended 29 March 2009 and 53 weeks ended 30 March 2008

	Notes	2009 £m	2008 £m
Income from investments		10	7
<b>Profit on ordinary activities before taxation</b>		<b>10</b>	<b>7</b>
Taxation	5	-	-
<b>Profit retained for the financial year</b>	9	<b>10</b>	<b>7</b>

## Statement of total recognised gains and losses

for the 52 weeks ended 29 March 2009 and 53 weeks ended 30 March 2008

There are no recognised gains and losses other than the profit from continuing operations attributable to the Company of £9,896,334 (2008 £7,222,226).

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

# Royal Mail Enterprises Limited

## Balance sheet

at 29 March 2009 and 30 March 2008

	Notes	2009 £m	2008 £m
<b>Fixed assets</b>			
Investments in associates	6	31	31
<b>Current assets</b>			
Debtors - receivable beyond one year	7	14	4
<b>Net assets</b>		<b>45</b>	<b>35</b>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	45	35
<b>Shareholder's funds</b>		<b>45</b>	<b>35</b>

The accounts on pages 6 to 10 were approved by the Board of Directors on 8 September 2009 and signed on its behalf by:



Ian Duncan



Mark Thomson

# Royal Mail Enterprises Limited

## Notes to the accounts

### 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 accounts are made up to the 52 weeks ended 29 March 2009 (2008 53 weeks ended 30 March 2008).

#### Basis of preparation

The accounts on pages 6 to 10 have been prepared in accordance with applicable UK Accounting Standards and law, including the requirements of the Companies Act 1985. Unless otherwise stated in the accounting policies below, the accounts have been prepared under the historic cost accounting convention.

No new UK Accounting Standards, which affect the presentation of these accounts, 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 accounts.

#### Investments in associates

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

### 2. Staff costs

The Company has no employees (2008 nil).

### 3. Auditor's remuneration

Auditor's remuneration amounted to £5,000 (2008 £5,000) for the audit of the statutory accounts and was met by the immediate parent company, Royal Mail Group Ltd.

### 4. Directors' emoluments

The Directors of the Company are not paid fees by the Company for their services as Directors of the Company. The Directors of the Company are paid fees 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, is disclosed in the Royal Mail Holdings plc Group accounts.

### 5. Taxation

There is no tax charge or credit. The Company has no profits other than the dividends received from its UK investments.



## 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 classed as associates in the accounts of Royal Mail Holdings plc. The principal activities of Camelot Group plc relate to the operation of the UK National Lottery.

	2009 £m	2008 £m
<b>Cost</b>		
At 31 March 2008 and 26 March 2007	32	22
Additions	-	10
<b>At 29 March 2009 and 30 March 2008</b>	<b>32</b>	<b>32</b>
<b>Impairment</b>		
At 31 March 2008 and 26 March 2007	1	1
<b>At 29 March 2009 and 30 March 2008</b>	<b>1</b>	<b>1</b>
<b>Net book value</b>		
<b>At 29 March 2009 and 30 March 2008</b>	<b>31</b>	<b>31</b>
At 31 March 2008 and 26 March 2007	31	21

During 2008 the Company's investment in Camelot Group plc, an associate company was increased by £10m. This additional investment was required by Camelot Group plc as a result of the award of the third Lottery Operating licence.

### 7. Debtors receivable beyond one year

	2009 £m	2008 £m
Amounts due from parent company	14	4

### 8. Share capital

The authorised share capital is 1,000 (2008 - 1,000) ordinary £1 shares. Allotted, called up and fully paid share capital is one ordinary share, beneficially owned by Royal Mail Group Ltd.

### 9. Reconciliation of shareholder's funds and movement on reserves

	Share capital £m	Profit and loss account £m	2009 Total £m	2008 Total £m
At 31 March 2008 and 26 March 2007	-	35	35	28
Profit for the financial year	-	10	10	7
<b>At 29 March 2009 and 30 March 2008</b>	<b>-</b>	<b>45</b>	<b>45</b>	<b>35</b>

## Royal Mail Enterprises Limited

### **10. 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 Group companies do not have to be disclosed where Group accounts are publicly available.

### **11. Immediate and ultimate parent company**

At 29 March 2009, 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 accounts, which are available from that company's website ([www.royalmailgroup.com](http://www.royalmailgroup.com)) or from the Company Secretary, 100 Victoria Embankment, London EC4Y 0HQ.