

Registered Number 4074919

CONSIGNIA HOLDINGS plc

ACCOUNTS

For the period ended 25 March 2001

RE-SCAN



Consignia Holdings plc

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Consignia Holdings plc

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the period from incorporation to 25 March 2001.

1. Incorporation and issue of shares

The company was incorporated as Expandreserve Public Limited Company on 20 September 2000, and changed its name to The Post Office Group Plc on 12 December 2000, to Consignia plc on 4 January 2001 and to Consignia Holdings plc on 26 January 2001.

On incorporation, 2 ordinary shares of £1 each were issued at par. On 9 January 2001 a further 49,998 ordinary shares of £1 each and one special rights redeemable preference share were issued at par under S.63 (7) of the Postal Services Act 2000.

2. Principal activities

The company has not traded throughout the period and accordingly no profit and loss account has been presented.

3. Dividend

The directors do not recommend payment of a dividend.

4. Post balance sheet events

On 26 March 2001, under the provisions of the Postal Services Act 2000, the company acquired the residual assets of The Post Office, a government corporation, and became the holding company for the former Post Office Group.

5. Directors

The directors who held office during the period are given below:

Swift Incorporations Ltd (appointed 20 September 2000, resigned 28 September 2000)

Instant Companies Ltd (appointed 20 September 2000, resigned 28 September 2000)

Precis Company Services Ltd (appointed 28 September 2000, resigned 4 January 2001)

Peregrine Secretarial Services Ltd (appointed 28 September 2000, resigned 4 January 2001)

Consignia Holdings plc

DIRECTORS' REPORT (continued)

5. Directors (continued)

Dr N C Bain	(appointed 4 January 2001)
M L Cassoni	(appointed 22 March 2001)
J E Cope	(appointed 4 January 2001)
M J Kinski	(appointed 4 January 2001)
J Lloyd	(appointed 4 January 2001)
A J Roberts	(appointed 4 January 2001)
M H Templeman	(appointed 9 January 2001)
R P Thorne	(appointed 9 January 2001)

In addition, A L Leighton has been appointed as a director from 2 April 2001.

None of the directors had any interests in the shares of the company during the period ended 25 March 2001.

6. Policy and practice on payment of creditors

The company has no trade creditors.

7. Auditors

During the period, the directors appointed Ernst & Young as auditors. Ernst & Young have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Ernst & Young has stated that it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP, on 28 June 2001. The directors have consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of The Board

GRO

J Evans
Company Secretary
30 May 2001

Consignia Holdings plc

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs and result of the company.

In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, at any time, the financial position of the company, and which enable them to ensure that the accounts comply with company law.

The directors are responsible for ensuring that the assets of the company are safeguarded and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Consignia Holdings plc

AUDITORS' REPORT

to the members of Consignia Holdings plc

We have audited the financial statements on pages 6 to 8

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

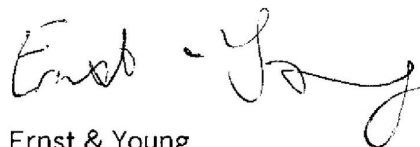
Basis of audit opinion

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 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 of the state of the company's affairs at 25 March 2001 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditors
London
30 May 2001

Consignia Holdings plc

BALANCE SHEET as at 25 March 2001

	Note	2001 £'000
Current assets		
Debtors	5	50
Cash at bank and in hand		-
Total assets less current liabilities		<u>50</u>
Capital and reserves		
Called up share capital	6	50
Profit and loss account		-
Total shareholders' funds	7	<u>50</u>

Approved by the board of directors on ~~30~~ May 2001

John Roberts
Director

GRO

Marisa Casson
Director

GRO

Consignia Holdings plc

NOTES TO THE ACCOUNTS for the period ended 25 March 2001

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

These accounts have been prepared under the historical cost convention.

2. Profit and loss account

The company has not traded since incorporation and has made neither profits nor losses. Accordingly, no profit and loss account has been presented.

No cash flows have arisen in the company since incorporation, and therefore no cash flow statement has been presented.

3. Staff costs

The only employees of the company were its executive directors.

4. Directors emoluments

The directors of Consignia Holdings plc during the period were Board Members of The Post Office during the period and their emoluments are disclosed in The Post Office Report and Accounts.

None of the directors received any emoluments in respect of their services to the company.

5. Debtors

	2001 £'000
Other debtors	50

This debtor has been created by the issuing of shares to the Secretary of State under S.63 (7) of the Postal Services Act 2000. This provides that for the purposes of the Companies Act 1985 the shares issued to the Secretary of State shall be treated as if they had been fully paid up by virtue of payment of their nominal value in cash.

Consignia Holdings plc

NOTES TO THE ACCOUNTS (continued)

6. Called up share capital

	2001 £'000
Authorised	
100,000 ordinary shares of £1 each	100
1 special rights redeemable preference share of £1 each	-
	<hr/> 100
Allotted and fully paid	
50,000 ordinary shares of £1 each (note 5)	50
1 special rights redeemable preference share of £1 each	-
	<hr/> 50

The special rights redeemable preference share gives the Secretary of State the right to direct certain actions of the company which, in a listed company, would require the support of the shareholders in general meeting.

7. Reconciliation of movement in shareholders' funds for the period ended 25 March 2001

	2001 £'000
Profit attributable to shareholders	-
Issue of shares	50
Net change in shareholders' funds	<hr/> 50
Shareholders' funds at incorporation	-
Shareholders' funds at 25 March 2001	<hr/> 50

8. Post balance sheet events

On 26 March 2001, under the provisions of the Postal Services Act 2000, the Post Office Corporation investment in Consignia plc and the reserves of The Post Office Corporation were transferred to Consignia Holdings plc.