

Registered Number 3693913

**CONSIGNIA ENTERPRISES LIMITED**  
**(FORMERLY POST OFFICE ENTERPRISES LIMITED)**

**ACCOUNTS**

**For the period ended 25 March 2001**



**CONSIGNIA ENTERPRISES LIMITED  
(FORMERLY POST OFFICE ENTERPRISES LIMITED)**

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**CONSIGNIA ENTERPRISES LIMITED  
(FORMERLY POST OFFICE ENTERPRISES LIMITED)**

**DIRECTORS' REPORT**

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

**1. Incorporation and change of name**

The company was incorporated as Post Office Enterprises Limited on 20 May 1999, and changed its name to Consignia Enterprises Limited on 26 March 2001.

**2. Principal activities**

The company has not traded from incorporation to date and accordingly no profit and loss account has been presented.

**3. Review of the business and future developments**

During the year Consignia Enterprises Ltd obtained a 20% equity stake in Camelot Group plc and at the same time it also obtained a 20% holding in Camelot International Services Ltd.

Consignia Enterprises will manage the relationship between Consignia Group and Camelot from the point at which Camelot commence operations under the terms of the second licence, commencing in January 2002.

**4. Dividend**

The directors do not recommend payment of a dividend.

**5. Directors**

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

J E Cope	(appointed 1 December 1999)
R H Wheelhouse	(appointed 1 December 1999)

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

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**DIRECTORS' REPORT (continued)**

**6. Policy and practice on payment of creditors**

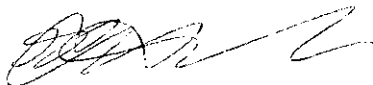
The company has no trade creditors.

**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



S Hill  
Secretary  
29 May 2001

**CONSIGNIA ENTERPRISES LIMITED  
(FORMERLY POST OFFICE ENTERPRISES LIMITED)**

**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 ENTERPRISES LIMITED  
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**REPORT OF THE AUDITORS  
to the members of Consignia Enterprises Limited**

We have audited the accounts on pages 6 to 9.

**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.

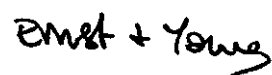
**Basis of audit opinion**

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  
29 May 2001

**CONSIGNIA ENTERPRISES LIMITED**  
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**BALANCE SHEET**

**as at 25 March 2001**

	Note	2001 £m
<b>Fixed assets</b>		
Investment in associated undertaking	6	2
Fixed asset investments	7	<u>19</u>
		<u>21</u>
<b>Current assets</b>		
Cash at bank and in hand		-
<b>Creditors - amount falling due within one year</b>	8	(2)
		<u>(2)</u>
<b>Net current liabilities</b>		<u>(2)</u>
<b>Total assets less current liabilities</b>		19
<b>Creditors - amounts due after more than one year</b>	9	<u>(19)</u>
		<u>-</u>
<b>Capital and reserves</b>		
Called up share capital	10	-
Profit and loss account		-
		<u>-</u>
<b>Total shareholders' funds</b>		<u>-</u>

Approved by the Board on 29 May 2001



J E Cope



R H Wheelhouse

**CONSIGNIA ENTERPRISES LIMITED  
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**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, and in accordance with applicable accounting standards and the Companies Act 1985. No cash flow statement is presented as the company was a wholly-owned subsidiary of The Post Office which has presented a cash flow statement within its Group accounts.

On 5 August 1999, The Post Office entered into an agreement with Camelot (the National Lottery Operator) to acquire a 20% holding in the company, conditional on them being awarded a second licence term to operate the lottery. Camelot has subsequently been awarded a second licence, which comes into effect on 27 January 2002. The Post Office acquired that holding through its subsidiary company Post Office Enterprises Limited. Camelot will become an associate undertaking of Consignia when the new licence commences.

**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.

**3. Auditors remuneration**

The auditors remuneration has been met by the parent undertaking.

**4. Staff costs**

The only employees of the company were its executive directors.

**5. Directors emoluments**

All the directors of Consignia Enterprises Limited are employed and remunerated by the parent undertaking and are paid no fees for their services as directors of Consignia Enterprises Limited.



**CONSIGNIA ENTERPRISES LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**

The emoluments of directors who were also Board Members of The Post Office during the year, are disclosed in The Post Office Report and Accounts.

**6. Investment in associated undertaking**

Entities, other than subsidiary undertakings or joint ventures, in which the company has a participating interest and over whose operating and financial policies the company exercises a significant influence are treated as associates.

<b>Associated undertaking</b>	<b>Issued share capital</b>	<b>Percentage holding</b>	<b>Principal activities</b>
Camelot International Services Ltd		20%	Lottery operations

Dividends are not expected to be paid by this entity until 2003.

**7. Fixed asset investments**

This is a 20% equity stake in Camelot Group plc. The company has no voting or participation rights in Camelot until the start of the second licence period of the UK National Lottery. The licence runs from 27 January 2002 until 26 January 2009.

**8. Creditors – amounts falling due within one year**

	2001
	£m
Deferred consideration	<u>2</u>

**CONSIGNIA ENTERPRISES LIMITED  
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**NOTES TO THE ACCOUNTS (continued)**

**9. Creditors – amounts falling due after more than one year**

	2001 £m
Amount due to parent undertaking	<u>19</u>

**10. Called up share capital**

The authorised share capital is 1000 ordinary £1 shares. Allotted, called up and fully paid share capital is one ordinary share, beneficially owned by Consignia plc.

**11. Immediate and ultimate parent undertaking**

The company is a subsidiary undertaking of Consignia plc, a company registered in England and Wales.

At 25 March 2001, the directors regarded The Post Office as the ultimate parent undertaking, by virtue of its 100% interest in Consignia plc. The results of the company form part of The Post Office Group Accounts, which may be obtained from 130 Old Street, London EC1V 9PQ.

On 26 March 2001, The Post Office was transferred to Consignia Holdings plc ("Consignia Holdings") under the provisions of the Postal Services Act 2000. From this date, the directors regard Consignia Holdings as the company's ultimate parent undertaking.