

# Financial Summary

## Summary Group profit and loss account

	2002			2001		
	Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
Turnover	8,408	–	8,408	8,119	–	8,119
Total operating costs	(8,475)	(1,119)	(9,594)	(8,097)	(67)	(8,164)
Group operating (loss)/profit	(67)	(1,119)	(1,186)	22	(67)	(45)
Share of operating profit in associates	4	–	4	–	–	–
Impairment of goodwill in associates	(5)	(7)	(12)	–	–	–
<b>Total operating (loss)/profit: Group and share of associates</b>	<b>(68)</b>	<b>(1,126)</b>	<b>(1,194)</b>	<b>22</b>	<b>(67)</b>	<b>(45)</b>
Net profit on disposal of tangible fixed assets	–	24	24	–	20	20
Loss on disposal of subsidiary undertaking	–	(10)	(10)	–	–	–
Net interest receivable	56	–	56	106	–	106
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(12)</b>	<b>(1,112)</b>	<b>(1,124)</b>	<b>128</b>	<b>(47)</b>	<b>81</b>
Taxation			179			(34)
<b>(Loss)/profit on ordinary activities after taxation</b>			<b>(945)</b>			<b>47</b>
Equity minority interests			5			2
<b>(Loss)/profit for the financial year</b>			<b>(940)</b>			<b>49</b>
Transfer to dividend reserve			–			(93)
<b>Loss transferred to reserves for the financial year</b>			<b>(940)</b>			<b>(44)</b>
The total emoluments (excluding pensions) of the Directors for the 53 weeks ended 31 March 2002			<b>873,439</b>			<b>589,838</b>

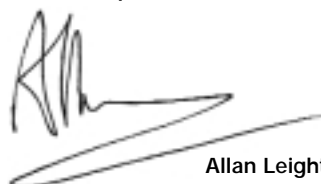
## Summary Group balance sheet

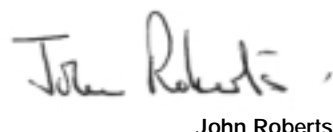
	at 31 March 2002	proforma at 25 March 2001 as restated
Fixed assets	2,023	2,507
Current assets	4,327	4,495
Creditors – amounts falling due within one year	(2,340)	(2,487)
Net current assets	1,987	2,008
Total assets less current liabilities	4,010	4,515
Creditors – amounts falling due after more than one year	(655)	(697)
Provisions for liabilities and charges	(750)	(280)
	2,605	3,538
Capital and reserves	2,605	3,543
Equity minority interests	–	(5)
	2,605	3,538

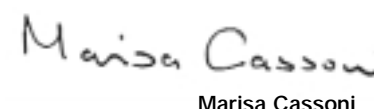
## Summary Group cash flow statement

	53 weeks ended 31 March 2002	proforma 52 weeks ended 25 March 2001
Operating activities	12	330
Dividends from associates	1	1
Returns on investment and servicing of finance	79	103
Taxation	13	(67)
Capital expenditure and financial investment	(157)	(264)
Acquisitions and disposals	(48)	(224)
<b>Cash outflow before use of liquid resources and financing</b>	<b>(100)</b>	<b>(121)</b>
Management of liquid resources	363	(150)
Financing	(91)	328
<b>Increase in cash in the period</b>	<b>172</b>	<b>57</b>

Approved by the  
Board 12 June 2002

  
Allan Leighton

  
John Roberts

  
Marisa Cassoni

## Segmental information

	2002			2001						
	53 weeks ended 31 March 2002			52 weeks ended 25 March 2001 as restated						
	Total sales	Sales between segments	External turnover	Total sales	Sales between segments	External turnover				
	£m	£m	£m	£m	£m	£m				
<b>Analysis of turnover</b>										
<b>By class of business</b>										
Mails and parcels	7,367	(17)	7,350	7,079	(21)	7,058				
Counter services	1,290	(337)	953	1,196	(289)	907				
Other businesses	212	(107)	105	248	(94)	154				
Total	<u>8,869</u>	<u>(461)</u>	<u>8,408</u>	<u>8,523</u>	<u>(404)</u>	<u>8,119</u>				
<b>By geographic area of origin</b>										
United Kingdom			7,752			7,512				
Rest of the World			656			607				
Total			<u>8,408</u>			<u>8,119</u>				
<b>Analysis of (loss)/profit before taxation</b>										
	2002					2001				
	Operational activity	Pensions benefit	Before exceptional items	Exceptional items	Total	Operational activity	Pensions benefit	Before exceptional items	Exceptional items	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>By class of business</b>										
Mails and parcels	(138)	205	67	(1,022)	(955)	(150)	185	35	-	35
Counter services	(164)	20	(144)	(94)	(238)	(57)	19	(38)	-	(38)
Other businesses	(15)	25	10	(3)	7	1	24	25	(67)	(42)
Pensions benefit	250	(250)	-	-	-	228	(228)	-	-	-
<b>Group operating (loss)/profit</b>	<u>(67)</u>	<u>-</u>	<u>(67)</u>	<u>(1,119)</u>	<u>(1,186)</u>	<u>22</u>	<u>-</u>	<u>22</u>	<u>(67)</u>	<u>(45)</u>
Share of operating profit in associates			4	-	4			-	-	-
Impairment of goodwill in associates			(5)	(7)	(12)			-	-	-
Profit on disposal of fixed assets			-	24	24			-	20	20
Loss on disposal of subsidiary undertaking			-	(10)	(10)			-	-	-
Net interest receivable			56	-	56			106	-	106
<b>(Loss)/profit on ordinary activities before taxation</b>			<u>(12)</u>	<u>(1,112)</u>	<u>(1,124)</u>			<u>128</u>	<u>(47)</u>	<u>81</u>
<b>By geographic area of origin</b>										
United Kingdom			(17)	(868)	(885)			59	(67)	(8)
Rest of the World			(50)	(251)	(301)			(37)	-	(37)
<b>Group operating (loss)/profit</b>			<u>(67)</u>	<u>(1,119)</u>	<u>(1,186)</u>			<u>22</u>	<u>(67)</u>	<u>(45)</u>
Share of operating profit in associates			4	-	4			-	-	-
Impairment of goodwill in associates			(5)	(7)	(12)			-	-	-
Profit on disposal of fixed assets			-	24	24			-	20	20
Loss on disposal of subsidiary undertaking			-	(10)	(10)			-	-	-
Net interest receivable			56	-	56			106	-	106
<b>(Loss)/profit on ordinary activities before taxation</b>			<u>(12)</u>	<u>(1,112)</u>	<u>(1,124)</u>			<u>128</u>	<u>(47)</u>	<u>81</u>
<b>Analysis of net assets/(liabilities)</b>										
<b>By class of business</b>										
Mails and parcels					1,225					2,257
Counter services					(286)					(151)
Other businesses					(35)					(3)
					<u>904</u>					<u>2,103</u>
Share of net assets of associates					80					27
Unallocated net assets					1,621					1,408
Total net assets					<u>2,605</u>					<u>3,538</u>

Unallocated net assets principally include current asset investments, tax and borrowings. All net assets other than £143m (2001 £426m) were located in the United Kingdom. In order to reflect the segmental analysis more appropriately, a number of changes have been made to names, presentation and structure of the segments. The mails and distribution segment has been renamed 'mails and parcels'. In addition, Consignia's philatelic business has been moved from 'other' to 'mails and parcels', resulting in a prior year transfer of £51m profit between these segments. As a result of a reorganisation within the Group, Consignia's cash distribution business has been moved from 'mails and parcels' to 'counter services', resulting in a prior year transfer of £8m profit between these segments. Last year's figures have been restated to reflect these changes.

## Accounting policies and general notes

### A) Fundamental accounting concept note

Current strategic plans indicate that funding totalling some £2.4bn is required over the next three years to restructure and reduce the cost base and to fund Post Office Limited.

Potentially available cash and other current asset investments totalled £1,850m at 31 March 2002. Whilst the Company's Articles allow Consignia Holdings plc to borrow up to £5,000m, this is subject to prior approval by Government.

The Company is in active discussions with Government as to how future cash requirements are to be funded, including certain conditions and constraints on how the current asset investments can be used to arrange National Loans Fund (NLF) finance and support Post Office Limited. The Government has indicated that it will seek for the current asset investments of £1.8bn to be distributed from Consignia plc to Consignia Holdings plc. Financial support of Post Office Limited is conditional on the production of a business plan by September 2002, which is acceptable to the Company and the Secretary of State but funding has been permitted from current asset investments up to April 2003 and for existing commitments that go beyond that date. Government approval to fund the renewal plan and a decision on funding of the social Post Office network is critical to Consignia's continuing operations.

The Directors believe that the conditions and constraints imposed by the Secretary of State will be met and that the outcome of funding discussions with Government, described above, will be favourable. On this basis, after consideration of cash flow projections, the Directors consider it appropriate to prepare the financial statements on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future. However, the margin of funds over requirements is not large and there can be no certainty in relation to this matter.

Should Government fail to approve appropriate funding, the going concern basis would be invalid and adjustments would have to be made to reduce the value of the assets to their realisable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long-term liabilities as current assets and current liabilities.

### B) Basis of preparation and change in accounting policy

These are the first accounts prepared for the Group under a plc status. Previously, the accounts were produced under a direction from the Secretary of State. By way of a scheme under Section 60 of the British Telecommunications Act 1981, the assets and liabilities of The Post Office Corporation were, on 25 March 2001, transferred to Consignia plc in consideration of the issue of 50,000 ordinary shares in Consignia plc to The Post Office Corporation. On 26 March 2001, the shares in Consignia plc, owned by The Post Office Corporation, were vested in Consignia Holdings plc under Section 62 of the Postal Services Act 2000. Consignia Holdings plc was incorporated on 20 September 2000, and financial statements were completed for the period ended 25 March 2001. Consignia plc was incorporated on 10 January 2001 and did not trade prior to 26 March 2001.

## Independent auditor's statement to the members of Consignia Holdings plc

We have examined the Group's summary financial statements which comprise the Summary Group profit and loss account, the Summary Group balance sheet, the Summary Group cash flow statement and the segmental information.

### Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the annual Review in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the annual Review with the full annual accounts and Directors' Report, and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

### Basis of opinion

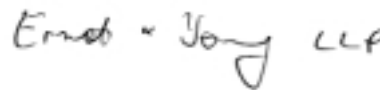
We conducted our examination in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statement" issued by the Auditing Practices Board for use in the United Kingdom.

### Fundamental uncertainty – going concern

In forming our opinion, we have considered the adequacy of the disclosures made in accounting policy note A concerning the outcome of funding discussions with Government and the consequent fundamental uncertainty as to whether or not the Group can be considered to be a going concern. The accounts do not include any adjustments that would result from Government not approving appropriate funding or restricting access to current asset investments, as described in accounting policy note A. It is not practical to quantify the adjustments that might be required, but should any adjustments be required they would be significant. In view of the significance of this fundamental uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

### Opinion

In our opinion the summary financial statements are consistent with the full annual accounts and Directors' Report of Consignia Holdings plc for the year ended 31 March 2002 and complies with the applicable requirements of Section 251 of the Companies Act 1985, and regulations made thereunder.



Ernst & Young LLP  
Registered Auditor  
London  
12 June 2002

### Notes:

The maintenance and integrity of the Group's websites is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Summary Directors' Report

The Directors present the first Group accounts for Consignia Holdings plc. These accounts relate to the 53 weeks ended 31 March 2002, but in respect of Consignia plc, additionally cover the period between incorporation, on 10 January 2001, and 25 March 2001, during which time no trading activity took place.

### Principal activities

The Group provides a nationwide and international distribution service. The Group also provides access to a wide range of financial and retail services through its network of Post Office branches.

### Post balance sheet events

Details of post balance sheet events are included in note 26 to the accounts.

### Directors

Directors' details are shown on pages 34 and 35. The Chairman is appointed by the Secretary of State; all other Directors are appointed by the Company with the Secretary of State's consent.

### Summarised financial statements

The summarised financial statements on pages 36 and 37 do not, on their own, contain sufficient information to allow for a full understanding of the results and state of affairs of the Group. Full information is presented in the Group accounts which may be obtained from CS, 130 Old Street, LONDON EC1V 9PQ.

The auditors have issued an unqualified report on the Group's annual accounts, containing no statement under s237(2) or s237(3) of the Companies Act 1985.

### Corporate Governance

The Group has been in full compliance with the provisions of the Combined Code (the Code) throughout the year and up to the date of approval of these accounts, in so far as they are appropriate to a public company with a single shareholder. The exceptions are that a senior non executive Director has not been designated and that Directors are normally appointed by the Company with the Secretary of State's consent. Thus, there is no need for a Nominations Committee. The Secretary of State also approves the remuneration of both executive and non executive Directors.

#### Going concern

As outlined in note A of Accounting policies and general notes, there is a fundamental uncertainty concerning the outcome of the funding discussions with Government as to whether or not the Group can be considered to be a going concern. Our plans require total funding of some £2.4bn over the next three years. The Company is in active discussions with Government about how future cash requirements are to be funded. Government approval to fund the renewal plan and a decision on the funding of the social Post Office network is critical to our continuing operations. The Directors believe that

the outcome of funding discussions with Government will be favourable. On this basis, after consideration of cash flow projections, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis.

#### Auditors

During the year, Ernst & Young acted as auditor to the Company until 28 June 2001. On 28 June 2001, Ernst & Young transferred its business to a limited liability partnership, Ernst & Young LLP, incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the

appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. At the Annual General Meeting, a resolution will be proposed to reappoint Ernst & Young LLP as auditors.

By order of the Board



Jonathan Evans  
Secretary  
London  
12 June 2002

## Five-year summary

	97-98	98-99	99-00	00-01 as restated	01-02
	£m	£m	£m	£m	£m
<b>Profit and loss account</b>					
Turnover: all continuing operations	6,759	7,010	7,522	8,119	8,408
Total operating costs before exceptional items	(6,231)	(6,616)	(7,141)	(8,097)	(8,475)
Exceptional items	-	-	(656)	(67)	(1,119)
Group operating profit/(loss): continuing	528	394	(275)	(45)	(1,186)
Share of operating profit of associates	-	3	4	-	4
Impairment of goodwill in associates	-	-	-	-	(12)
Total operating profit/(loss)	528	397	(271)	(45)	(1,194)
Profit on sale of tangible fixed assets	4	41	11	20	24
Profit on disposal of support service	-	22	-	-	-
Loss on disposal of subsidiary undertaking	-	-	-	-	(10)
Profit/(loss) before interest	532	460	(260)	(25)	(1,180)
Net interest receivable	132	148	89	106	56
Profit/(loss) before tax	664	608	(171)	81	(1,124)
Taxation	(217)	(112)	(96)	(34)	179
Profit/(loss) after tax	447	496	(267)	47	(945)
Equity minority interests	-	-	3	2	5
Profit/(loss) for the financial year	447	496	(264)	49	(940)
Transfer to dividend reserve	-	-	(151)	(93)	-
Profit/(loss) retained	447	496	(415)	(44)	(940)
<b>Balance sheet</b>					
	97-98	98-99	99-00	00-01 as restated	01-02
	£m	£m	£m	£m	£m
Intangible assets	-	220	270	421	146
Tangible fixed assets	2,327	2,510	2,419	2,026	1,783
Fixed asset investments	31	22	26	60	94
Net current assets	1,479	1,708	1,723	2,008	1,987
Creditors beyond one year and provisions	(63)	(160)	(342)	(977)	(1,405)
Total assets less liabilities	3,774	4,300	4,096	3,538	2,605
Revaluation reserve	259	225	289	-	-
Other reserves	-	-	-	-	15
Profit and loss account	3,515	4,075	3,659	3,299	2,346
Dividend reserve	-	-	151	244	244
Equity minority interests	-	-	(3)	(5)	-
Capital and reserves	3,774	4,300	4,096	3,538	2,605

#### Note

The restated figures for 2000-01 reflect the impact of the implementation of FRS 19 - Deferred tax, and the change to the historic cost accounting convention.

## Quality of the First Class letter service from posting to delivery to the door

The table on these two pages shows the service results for 2001-02 for First Class letter deliveries in all of Britain's 121 postcode areas compared with the previous year, and improvement targets for 2002-03. There are four main categories: 1) an overall aggregated result which includes: 2) letters posted and delivered within the same postcode area, 3) letters delivered to neighbouring postcode areas, and 4) letters delivered to distant postcode areas.

Postcode area of posting		Percentage of First Class letters delivered next day with improvement targets for 2002-03											
		Overall			Within area			To neighbouring areas			To distant areas		
		2000-01 %	2001-02 %	2002-03 target %	2000-01 %	2001-02 %	2002-03 target %	2000-01 %	2001-02 %	2002-03 target %	2000-01 %	2001-02 %	2002-03 target %
<b>London</b>													
E	E1-18	82	<b>83</b>	90	87	<b>86</b>	95	84	<b>84</b>	91	73	<b>79</b>	84
EC	EC1-4	88	<b>88</b>	91	91	<b>92</b>	95	89	<b>88</b>	92	81	<b>85</b>	86
N	N1-22	83	<b>86</b>	90	85	<b>88</b>	95	85	<b>87</b>	91	77	<b>81</b>	83
NW	NW1-11	82	<b>86</b>	90	82	<b>89</b>	95	83	<b>86</b>	91	78	<b>83</b>	86
SE	SE1-28	86	<b>86</b>	90	89	<b>90</b>	95	88	<b>87</b>	92	80	<b>81</b>	85
SW	SW1-20	85	<b>86</b>	90	87	<b>88</b>	95	87	<b>87</b>	92	79	<b>84</b>	85
WC	WC1-2	86	<b>86</b>	91	91	<b>85</b>	95	89	<b>86</b>	92	78	<b>84</b>	87
W	W1-14	85	<b>85</b>	91	92	<b>89</b>	95	87	<b>86</b>	92	80	<b>81</b>	86
<b>East</b>													
CB	Cambridge	89	<b>93</b>	93	93	<b>96</b>	96	92	<b>93</b>	94	82	<b>89</b>	87
CM	Chelmsford	86	<b>87</b>	91	91	<b>90</b>	95	88	<b>89</b>	92	81	<b>83</b>	87
CO	Colchester	85	<b>90</b>	92	89	<b>92</b>	95	86	<b>91</b>	92	77	<b>86</b>	87
IP	Ipswich	86	<b>89</b>	91	92	<b>95</b>	95	86	<b>92</b>	92	80	<b>82</b>	86
NR	Norwich	86	<b>92</b>	91	93	<b>96</b>	96	88	<b>93</b>	94	81	<b>89</b>	86
PE	Peterborough	89	<b>89</b>	93	95	<b>94</b>	96	93	<b>91</b>	95	86	<b>87</b>	90
SG	Stevenage	90	<b>90</b>	93	92	<b>94</b>	96	90	<b>89</b>	93	89	<b>89</b>	90
SS	Southend-on-Sea	83	<b>86</b>	91	90	<b>91</b>	95	84	<b>85</b>	92	74	<b>83</b>	87
<b>Midlands</b>													
B	Birmingham	88	<b>89</b>	91	92	<b>91</b>	95	89	<b>90</b>	92	82	<b>84</b>	86
CV	Coventry & Warwickshire	94	<b>93</b>	93	97	<b>96</b>	95	95	<b>95</b>	94	89	<b>89</b>	91
DE	Derby	92	<b>93</b>	94	96	<b>96</b>	96	94	<b>95</b>	94	85	<b>89</b>	89
DY	Dudley	89	<b>89</b>	92	94	<b>94</b>	96	94	<b>89</b>	95	80	<b>83</b>	86
LE	Leicester	94	<b>93</b>	94	97	<b>98</b>	97	95	<b>94</b>	95	90	<b>89</b>	91
LU	Luton	84	<b>88</b>	91	91	<b>94</b>	95	85	<b>87</b>	92	81	<b>85</b>	87
MK	Milton Keynes	85	<b>88</b>	91	90	<b>92</b>	95	85	<b>87</b>	92	80	<b>87</b>	87
NG	Nottingham	92	<b>91</b>	94	95	<b>94</b>	96	93	<b>93</b>	95	83	<b>84</b>	88
NN	Northamptonshire	90	<b>89</b>	92	94	<b>93</b>	96	90	<b>88</b>	93	87	<b>88</b>	89
ST	Stoke-on-Trent	85	<b>90</b>	91	89	<b>93</b>	95	88	<b>92</b>	92	76	<b>84</b>	84
TF	Telford	88	<b>90</b>	92	92	<b>93</b>	96	90	<b>93</b>	94	84	<b>86</b>	88
WS	Walsall	88	<b>90</b>	91	92	<b>94</b>	96	93	<b>92</b>	92	81	<b>85</b>	87
WV	Wolverhampton	91	<b>92</b>	93	92	<b>95</b>	96	94	<b>93</b>	94	85	<b>86</b>	89
<b>North East</b>													
BD	Bradford	94	<b>94</b>	94	97	<b>97</b>	97	95	<b>94</b>	95	89	<b>90</b>	90
DH	Durham	91	<b>92</b>	93	93	<b>94</b>	96	94	<b>94</b>	95	86	<b>89</b>	89
DL	Darlington	93	<b>94</b>	94	97	<b>97</b>	96	97	<b>96</b>	95	88	<b>90</b>	89
DN	Doncaster	92	<b>92</b>	94	95	<b>94</b>	97	95	<b>95</b>	95	86	<b>87</b>	89
HD	Huddersfield	93	<b>93</b>	93	99	<b>97</b>	97	95	<b>94</b>	95	87	<b>89</b>	88
HG	Harrogate	89	<b>90</b>	91	95	<b>94</b>	96	93	<b>93</b>	95	81	<b>85</b>	87
HU	Hull	90	<b>93</b>	93	96	<b>96</b>	97	92	<b>94</b>	95	84	<b>89</b>	88
HX	Halifax	93	<b>93</b>	93	98	<b>97</b>	97	96	<b>96</b>	95	89	<b>89</b>	90
LN	Lincoln	94	<b>94</b>	94	97	<b>97</b>	97	96	<b>95</b>	95	87	<b>88</b>	90
LS	Leeds	90	<b>91</b>	91	96	<b>97</b>	96	93	<b>94</b>	94	84	<b>84</b>	86
NE	Newcastle	90	<b>91</b>	92	96	<b>95</b>	96	94	<b>95</b>	95	83	<b>86</b>	88
S	Sheffield	91	<b>94</b>	92	96	<b>95</b>	95	90	<b>94</b>	92	80	<b>89</b>	85
SR	Sunderland	93	<b>94</b>	94	95	<b>95</b>	96	94	<b>97</b>	95	86	<b>88</b>	89
TS	Cleveland	91	<b>93</b>	93	97	<b>97</b>	96	93	<b>95</b>	95	86	<b>90</b>	89
WF	Wakefield	91	<b>90</b>	92	95	<b>93</b>	95	93	<b>92</b>	92	83	<b>83</b>	87
YO	York	90	<b>92</b>	92	96	<b>96</b>	96	94	<b>93</b>	95	83	<b>89</b>	88
<b>North West</b>													
BB	Blackburn & Burnley	89	<b>90</b>	92	95	<b>94</b>	97	91	<b>91</b>	94	78	<b>83</b>	84
BL	Bolton	93	<b>91</b>	93	95	<b>98</b>	97	94	<b>92</b>	93	87	<b>85</b>	89
CA	Carlisle	90	<b>91</b>	92	96	<b>95</b>	96	94	<b>93</b>	95	82	<b>88</b>	85
CH	Chester & Deeside	88	<b>87</b>	91	94	<b>92</b>	95	91	<b>88</b>	93	79	<b>84</b>	85
CW	Crewe	89	<b>92</b>	93	93	<b>95</b>	97	92	<b>92</b>	95	81	<b>89</b>	87
FY	Fylde	90	<b>91</b>	93	93	<b>93</b>	96	92	<b>92</b>	95	79	<b>84</b>	84
L	Liverpool & The Wirral	88	<b>90</b>	91	92	<b>93</b>	95	90	<b>90</b>	92	83	<b>86</b>	86
LA	Lancaster	89	<b>90</b>	92	96	<b>95</b>	97	92	<b>91</b>	95	77	<b>82</b>	84
M	Manchester	89	<b>88</b>	92	93	<b>91</b>	95	88	<b>89</b>	92	83	<b>83</b>	86
OL	Oldham	89	<b>90</b>	92	92	<b>93</b>	95	90	<b>90</b>	93	81	<b>85</b>	86
PR	Preston	89	<b>89</b>	92	94	<b>92</b>	96	92	<b>91</b>	93	78	<b>83</b>	84
SK	Stockport	91	<b>89</b>	93	95	<b>92</b>	95	92	<b>90</b>	95	85	<b>83</b>	87
WA	Warrington	88	<b>91</b>	93	91	<b>92</b>	96	92	<b>91</b>	95	79	<b>89</b>	86
WN	Wigan	93	<b>93</b>	94	95	<b>94</b>	97	94	<b>95</b>	95	86	<b>87</b>	90

Postcode area of posting

Percentage of First Class letters delivered next day with improvement targets for 2002-03

	Overall			Within area			To neighbouring areas			To distant areas		
	2000-01 %	2001-02 %	2002-03 target %	2000-01 %	2001-02 %	2002-03 target %	2000-01 %	2001-02 %	2002-03 target %	2000-01 %	2001-02 %	2002-03 target %
<b>South East</b>												
AL St. Albans	90	90	92	94	91	95	90	89	93	88	90	90
BN Brighton	91	92	93	95	94	95	89	92	92	85	87	87
BR Bromley	89	91	93	93	95	96	90	91	93	83	89	89
CR Croydon	89	90	93	94	93	97	91	91	94	82	87	89
CT Canterbury	94	94	94	97	96	97	92	92	94	86	86	88
DA Dartford	91	91	93	95	93	97	92	91	93	86	88	90
EN Enfield	86	87	91	90	89	95	88	87	92	80	85	87
GU Guildford	90	90	94	94	92	96	90	90	95	84	88	88
HA Harrow	87	86	92	90	88	95	88	87	93	84	83	88
HP Hemel Hempstead	89	88	91	93	92	95	90	89	92	85	85	89
IG Ilford	87	86	93	92	89	95	87	87	94	82	80	87
KT Kingston-upon-Thames	89	91	93	96	98	96	88	91	94	87	89	90
ME Maidstone	92	91	94	94	94	97	92	92	94	85	85	88
OX Oxford	86	87	92	90	94	96	87	87	93	81	84	87
PO Portsmouth	89	91	93	92	94	97	92	92	94	86	87	89
RG Reading	86	89	91	91	95	95	88	91	92	80	84	86
RH Redhill	89	92	91	94	95	96	91	93	94	82	88	86
RM Romford	89	87	92	95	91	96	89	87	93	82	82	87
SL Slough	88	87	91	90	90	95	89	88	92	85	84	88
SM Sutton	90	91	93	93	94	95	91	92	94	85	87	88
SO Southampton	90	91	92	95	94	95	92	92	93	85	88	89
TN Tonbridge	92	92	93	96	95	96	93	91	95	85	89	89
TW Twickenham	93	93	93	97	98	97	93	92	94	89	91	91
UB Uxbridge	88	86	93	94	88	95	89	87	93	86	85	88
WD Watford	89	88	92	92	90	96	90	88	94	85	86	88
<b>South West</b>												
BA Bath	89	91	92	93	94	95	92	92	94	82	88	86
BH Bournemouth	92	90	93	98	95	96	94	93	94	88	87	89
BS Bristol	90	90	91	96	95	95	92	93	93	84	85	87
DT Dorchester	92	91	93	96	96	97	93	95	95	88	86	90
EX Exeter	91	91	92	97	96	97	93	94	95	85	86	87
GL Gloucester	90	91	93	94	94	97	92	92	95	86	88	88
HR Hereford	90	91	93	92	93	95	91	94	95	86	84	89
PL Plymouth	89	91	92	96	96	96	94	94	94	84	86	88
SN Swindon	86	90	91	91	92	95	85	90	92	82	88	86
SP Salisbury	88	88	92	93	94	96	90	89	94	85	85	88
TA Taunton	89	90	92	92	94	95	90	92	94	84	85	87
TQ Torquay	87	88	91	95	94	96	92	92	95	83	85	88
TR Truro	93	92	92	97	96	96	93	94	95	83	81	82
WR Worcester	89	91	91	96	95	97	91	93	94	83	86	87
<b>Scotland</b>												
AB Aberdeen	93	92	94	97	95	97	92	95	93	83	83	86
DD Dundee	91	92	92	94	93	96	94	94	93	84	87	86
DG Dumfries	92	93	93	98	96	96	93	94	93	77	85	84
EH Edinburgh	90	91	91	96	95	96	94	93	93	81	85	85
FK Falkirk	90	91	91	94	95	96	94	94	93	81	86	85
G Glasgow	90	90	92	93	92	96	90	91	94	85	84	86
HS Hebrides	84	84	84	91	94	96	89	89	87	78	77	79
IV Inverness	91	92	92	98	97	96	92	90	93	78	82	84
KA Kilmarnock	91	92	93	94	93	96	92	93	93	83	86	86
KW Kirkwall	86	85	89	94	94	96	94	89	93	77	78	79
KY Kirkcaldy	92	93	94	95	95	96	95	97	95	83	85	86
ML Motherwell	89	91	93	91	91	96	90	92	93	84	85	86
PA Paisley	89	91	92	90	93	96	91	92	93	83	85	86
PH Perth	91	92	92	95	95	96	94	94	93	82	83	85
TD Borders	92	94	93	96	96	96	93	94	93	77	88	84
ZE Lerwick	85	88	84	96	95	96	89	92	86	78	83	79
<b>Wales</b>												
CF Cardiff	90	90	92	94	96	96	92	93	95	87	86	88
LD Llandrindod Wells	90	91	93	93	92	95	88	91	92	82	86	88
LL North Wales	88	88	92	95	92	97	89	90	92	78	83	86
NP Newport	90	90	92	94	95	95	92	93	95	87	85	88
SA Swansea	92	93	94	96	96	97	94	92	94	83	85	87
SY Shrewsbury & Mid-Wales	87	89	92	94	94	96	89	92	94	82	84	87
<b>Northern Ireland</b>												
BT Northern Ireland	88	90	94	91.4	91.6	96	-	-	-	72	79	82
<b>National</b>	<b>89.0</b>	<b>89.9</b>	<b>92.0</b>	<b>93.7</b>	<b>93.6</b>	<b>95.8</b>	<b>90.0</b>	<b>90.5</b>	<b>93.1</b>	<b>83.0</b>	<b>82.6</b>	<b>87.1</b>

The independent survey summarised on these two pages comprised First Class test mail, posted throughout each week, Monday to Sunday, and covered postage-stamped and meter-franked mail on delivery to business and private addresses. All letters were legibly and correctly addressed and fully postcoded. National figures are accurate to within 0.5% or better. Average confidence limits for postcode areas are: overall, within area and for neighbouring areas, plus or minus 2%; for distant areas the figure is plus or minus 3%. The sampling period was from 26 March 2001 to 24 March 2002 excluding 3 December 2001 to 1 January 2002 when mail volumes increase significantly and normal quality of service targets cannot apply.

## Quality of the Second Class letter service from posting to delivery to the door

The table on these two pages shows the service results for 2001-02 for Second Class letter deliveries in all of Britain's 121 postcode areas compared with the previous year. There are four main categories: 1) an overall aggregated result which includes: 2) letters posted and delivered within the same postcode area, 3) letters delivered to neighbouring postcode areas, and 4) letters delivered to distant postcode areas.

Postcode area of posting		Percentage of Second Class letters delivered within three days							
		Overall		Within area		To neighbouring areas		To distant areas	
		2000-01 %	2001-02 %	2000-01 %	2001-02 %	2000-01 %	2001-02 %	2000-01 %	2001-02 %
<b>London</b>									
E	E1-18	97	97	97	97	97	97	98	96
EC	EC1-4	98	99	98	98	97	99	98	97
N	N1-22	98	98	98	98	98	98	98	96
NW	NW1-11	98	98	99	100	99	99	95	96
SE	SE1-28	98	98	100	97	99	99	97	96
SW	SW1-20	97	98	97	97	98	98	94	97
WC	WC1-2	97	98	100	100	98	98	96	99
W	W1-14	98	98	96	97	98	98	97	99
<b>East</b>									
CB	Cambridge	97	98	98	99	97	98	95	97
CM	Chelmsford	97	97	97	98	99	97	94	97
CO	Colchester	97	97	97	99	97	97	97	96
IP	Ipswich	98	98	99	98	99	98	96	97
NR	Norwich	98	99	99	100	99	99	96	99
PE	Peterborough	99	99	99	98	99	100	98	100
SG	Stevenage	99	98	99	99	98	97	100	98
SS	Southend-on-Sea	97	98	97	100	95	97	97	96
<b>Midlands</b>									
B	Birmingham	99	99	99	99	98	99	98	98
CV	Coventry & Warwickshire	99	98	100	100	100	98	98	97
DE	Derby	99	99	100	100	99	99	98	98
DY	Dudley	98	98	99	99	99	97	95	97
LE	Leicester	99	99	100	100	98	99	98	98
LU	Luton	97	98	98	100	97	97	97	97
MK	Milton Keynes	97	98	99	100	96	98	96	98
NG	Nottingham	99	98	99	98	100	99	99	96
NN	Northamptonshire	98	98	99	98	98	96	96	98
ST	Stoke-on-Trent	99	98	99	99	99	98	98	98
TF	Telford	97	97	98	98	99	97	96	96
WS	Walsall	98	98	99	100	99	99	97	98
WV	Wolverhampton	99	100	99	98	98	100	99	99
<b>North East</b>									
BD	Bradford	100	99	100	99	100	98	98	100
DH	Durham	99	99	99	100	100	100	98	98
DL	Darlington	99	100	100	100	100	99	99	100
DN	Doncaster	99	98	100	98	99	99	98	96
HD	Huddersfield	99	99	99	100	99	99	100	98
HG	Harrogate	98	99	100	99	98	100	99	99
HU	Hull	99	99	100	100	100	100	98	99
HX	Halifax	99	99	100	100	100	99	98	98
LN	Lincoln	99	99	100	100	100	100	96	97
LS	Leeds	99	99	99	100	99	98	98	99
NE	Newcastle	99	99	100	100	100	99	99	98
S	Sheffield	98	99	100	100	97	99	97	97
SR	Sunderland	100	99	100	98	100	100	100	99
TS	Cleveland	99	99	99	100	100	99	98	98
WF	Wakefield	98	98	100	96	96	100	99	97
YO	York	99	97	100	100	100	96	99	96
<b>North West</b>									
BB	Blackburn & Burnley	99	98	100	99	99	97	96	97
BL	Bolton	99	97	100	99	100	96	98	99
CA	Carlisle	99	100	100	100	99	100	98	99
CH	Chester & Deeside	98	98	99	98	98	98	98	97
CW	Crewe	96	99	97	100	96	98	97	100
FY	Fylde	98	99	100	99	99	98	95	98
L	Liverpool & The Wirral	98	97	100	98	96	98	97	95
LA	Lancaster	99	99	100	100	100	99	98	98
M	Manchester	99	99	100	98	99	99	98	99
OL	Oldham	99	98	98	99	99	98	100	97
PR	Preston	99	98	99	98	99	99	98	95
SK	Stockport	99	98	98	96	99	98	99	98
WA	Warrington	97	97	98	97	98	97	93	96
WN	Wigan	99	100	99	97	100	100	96	99

Postcode area of posting	Percentage of Second Class letters delivered within three days							
	Overall		Within area		To neighbouring areas		To distant areas	
	2000-01 %	2001-02 %	2000-01 %	2001-02 %	2000-01 %	2001-02 %	2000-01 %	2001-02 %
<b>South East</b>								
AL St. Albans	98	96	98	96	96	96	99	95
BN Brighton	99	99	100	99	98	99	96	98
BR Bromley	98	98	98	99	98	98	99	99
CR Croydon	99	97	99	100	99	99	98	94
CT Canterbury	98	98	100	99	98	96	94	99
DA Dartford	100	98	100	99	100	99	100	94
EN Enfield	98	96	99	95	99	96	97	96
GU Guildford	97	98	99	99	96	98	98	98
HA Harrow	98	97	100	99	100	96	92	96
HP Hemel Hempstead	97	98	100	99	96	97	96	98
IG Ilford	98	97	99	99	98	97	98	96
KT Kingston-upon-Thames	98	98	100	98	97	97	98	99
ME Maidstone	96	97	99	99	97	95	90	96
OX Oxford	95	98	98	99	95	99	93	97
PO Portsmouth	98	98	98	100	99	98	96	97
RG Reading	98	98	99	100	98	98	98	98
RH Redhill	97	99	100	100	97	99	96	99
RM Romford	98	97	99	99	98	97	97	97
SL Slough	98	97	99	98	99	97	97	97
SM Sutton	99	98	99	97	99	99	99	98
SO Southampton	99	98	99	99	100	99	98	97
TN Tonbridge	99	99	100	99	100	99	98	97
TW Twickenham	99	99	99	99	99	98	99	99
UB Uxbridge	98	97	98	98	98	97	99	96
WD Watford	98	97	100	98	99	97	96	97
<b>South West</b>								
BA Bath	99	99	99	99	100	99	97	98
BH Bournemouth	98	99	99	100	96	100	99	99
BS Bristol	99	99	99	99	99	100	99	99
DT Dorchester	99	99	100	99	100	99	96	96
EX Exeter	99	99	100	100	99	99	98	99
GL Gloucester	99	98	100	98	100	99	99	98
HR Hereford	99	98	100	100	98	99	99	96
PL Plymouth	100	98	100	99	100	99	99	97
SN Swindon	97	99	99	100	98	100	94	97
SP Salisbury	98	98	97	99	99	100	98	97
TA Taunton	99	100	99	100	99	100	98	99
TQ Torquay	99	99	100	99	100	100	98	99
TR Truro	100	99	100	99	99	99	100	99
WR Worcester	99	98	99	100	99	99	99	96
<b>Scotland</b>								
AB Aberdeen	99	99	99	100	99	99	98	95
DD Dundee	98	98	99	99	98	98	98	98
DG Dumfries	99	99	100	99	99	99	98	97
EH Edinburgh	99	98	98	98	100	99	99	96
FK Falkirk	99	99	99	99	99	99	98	99
G Glasgow	99	99	99	100	99	98	97	99
HS Hebrides	99	99	99	100	98	98	99	94
IV Inverness	100	99	100	100	100	98	99	97
KA Kilmarnock	99	98	99	99	99	99	100	95
KW Kirkwall	99	99	100	100	97	98	97	97
KY Kirkcaldy	99	99	100	99	98	100	99	100
ML Motherwell	99	98	98	100	99	97	100	100
PA Paisley	99	98	98	99	100	98	98	95
PH Perth	99	99	97	99	99	100	99	97
TD Borders	99	99	100	99	98	100	99	99
ZE Lerwick	98	99	99	99	97	100	96	97
<b>Wales</b>								
CF Cardiff	98	98	97	99	98	98	98	98
LD Llandrindod Wells	98	98	99	99	99	95	94	99
LL North Wales	99	97	100	97	98	99	98	96
NP Newport	98	98	100	98	97	99	98	98
SA Swansea	99	99	100	100	97	97	98	99
SY Shrewsbury & Mid-Wales	99	99	98	100	99	99	99	98
<b>Northern Ireland</b>								
BT Northern Ireland	98	98	99	99	-	-	94	91
<b>National</b>	<b>98.4</b>	<b>98.3</b>	<b>99.1</b>	<b>99.0</b>	<b>98.4</b>	<b>98.2</b>	<b>97.3</b>	<b>97.5</b>

The independent survey summarised on these two pages comprised Second Class test mail, posted throughout each week, Monday to Sunday, and covered postage-stamped and meter-franked mail on delivery to business and private addresses. All letters were legibly and correctly addressed and fully postcoded. National figures are accurate to within 0.5% or better. Average confidence limits for postcode areas are: overall, plus or minus 1%; within area and for neighbouring areas, plus or minus 2%; for distant areas the figure is plus or minus 3%. The sampling period was from 26 March 2001 to 24 March 2002 excluding 3 December 2001 to 1 January 2002 when mail volumes increase significantly and normal quality of service targets cannot apply.

## Quality of service Retail Parcels End to End

	01-02 %	Feb-Mar 02 Target %	Feb-Mar 02 %	Feb-Mar 03 Target %
Proportion delivered within three working days	81	88	82	90

### Note

The Retail Parcels End to End scheme was introduced in June 2001 to replace the Internal Trakback Quality of Service scheme which finished in December 2001. The target for February and March is set by Postcomm. Results for 2000-01 cover the period from June 2001 to March 2002 excluding December 2001.

## European quality of service performance

The table below shows the quality of service results for both calendar years 2000 and 2001 and are taken from the independent survey carried out by International Post Corporation (IPC). The results provide summaries of two key performance indicators, the average number of days taken to deliver mail, and the percentage of mail delivered within the required standard set by IPC. Data is given for both outgoing and incoming mail.

	To European country from UK			Average delivery days		To UK from European country			Average delivery days	
	2001	2001	2001	2000	2001	2001	2001	2001	2000	2001
	Target	%	%			Target	%	%		
	J+3	J+3	J+5			J+3	J+3	J+5		
Austria	90.0	81.7	95.2	2.5	2.8	93.0	93.2	98.4	2.2	2.3
Belgium	90.0	91.1	97.9	2.3	2.4	93.0	92.2	98.7	2.2	2.3
Denmark	90.0	92.6	98.2	2.1	2.2	93.0	95.8	99.1	2.1	2.1
Finland	90.0	88.1	97.5	2.4	2.6	93.0	95.0	98.7	2.2	2.2
France	90.0	88.5	98.2	2.4	2.5	93.0	94.6	98.8	2.2	2.2
Germany	90.0	93.0	98.7	2.2	2.3	93.0	94.3	98.4	2.2	2.2
Greece	90.0	48.0	86.3	3.9	3.9	93.0	86.9	96.9	2.8	2.6
Iceland	90.0	78.9	95.3	2.5	2.8	93.0	89.5	98.1	2.3	2.4
Ireland	90.0	91.3	98.3	2.1	2.3	93.0	92.8	98.9	2.1	2.2
Italy	90.0	83.2	95.7	2.5	2.7	93.0	89.4	97.4	2.3	2.4
Luxembourg	90.0	87.4	97.1	2.2	2.5	93.0	95.7	99.1	2.1	2.1
Netherlands	90.0	87.1	97.9	2.4	2.5	93.0	94.0	99.0	2.3	2.2
Norway	90.0	87.8	97.2	2.3	2.5	93.0	93.9	98.3	2.2	2.2
Portugal	90.0	80.5	95.8	2.4	2.8	93.0	91.6	98.0	2.2	2.3
Spain	90.0	80.3	95.0	2.6	2.8	93.0	89.8	97.5	2.4	2.4
Sweden	90.0	90.4	97.9	2.3	2.4	93.0	95.9	98.9	2.2	2.1
Switzerland	90.0	90.5	97.9	2.2	2.4	93.0	96.0	99.4	2.1	2.0

### Notes

1. J+3 is equal to the day of posting plus three days for the collection, sorting, transportation and distribution to the receiver. The EU target is for at least 85% of mail to be delivered within this period.
2. J+5 is equal to the day of posting plus five days for the collection, sorting, transportation and distribution to the receiver. The EU target is for 97% of mail to be delivered within this period.

## Handling of complaints

### Complaints about products and services within the Universal Service Obligation (USO)

	97-98 %	98-99 %	99-00 %	00-01 %	01-02 %
For all letters as a proportion of total letter traffic	0.0085	0.0088	0.0090	0.0082	<b>0.0073</b>
For parcels as a proportion of the total 'standard' retail parcels	N/A	N/A	0.6733	0.8478	<b>0.7233</b>
For counters as a proportion of total USO counter transactions	N/A	N/A	0.0028	0.0021	<b>0.0023</b>

### Complaints handling target (final reply within ten days)

	97-98 % achieved	98-99 % achieved	99-00 % achieved	00-01 % achieved	01-02 % achieved
For all letters	86.6	86.5	88.6	86.4	<b>87.5</b>
For 'standard' retail parcels	N/A	N/A	99.6	98.3	<b>88.2</b>
For USO counter transactions	N/A	N/A	93.2	97.1	<b>99.1</b>

#### Notes

1. N/A = years in which data was not gathered.
2. Letter complaints include those about non-USO letters products and services.
3. The letters complaints as a proportion of letter traffic have been updated because the letters traffic has been re-based due to an improvement in the methodology used to estimate 2000-01 traffic.

### Breakdown of complaints about products and services

Letters	Number	%	Parcels	Number	%	Counter services	Number	%
Lost	848,569	56.1	Lost	34,518	74.1	Advice provision	6,023	58.7
Delay	131,648	8.7	Damage	8,927	19.2	Customer service at transaction	1,493	14.5
Damage	42,058	2.8	Delay	800	1.7	Service failure	396	3.9
Late delivery	27,748	1.8	Other	2,326	5.0	Change discrepancies	455	4.4
Mis-delivery	123,681	8.2				Speed of service	230	2.2
Collection/access	12,707	0.8				Other	1,674	16.3
Other delivery-related complaints	122,672	8.2						
Re-directions	135,911	9.0						
Other	66,303	4.4						
<b>Total</b>	<b>1,511,297</b>	<b>100.0</b>		<b>46,571</b>	<b>100.0</b>		<b>10,271</b>	<b>100.0</b>

#### Notes

1. Loss relates to customer enquiries received with respect to items of mail not yet delivered.
2. The methodology for compiling counter services data has been refined to exclude some non-USO data previously included. Future reporting will be based on the new methodology. At the same time we have taken the opportunity to introduce more meaningful designations for complaint categories.

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