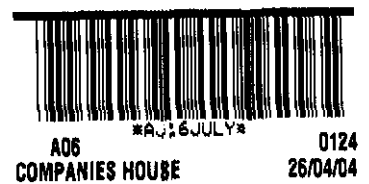


Registered Number 3379301

POSG Limited

Accounts

2003 - 2004



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POSG Limited

Directors' Report

The Directors present the accounts for POSG Limited (the Company). These accounts relate to the 52 weeks ended 28 March 2004.

Principal activities

The Company was formed to manage the divestment of Quadrant Catering Limited to Granada Food Services Limited in the 1998/99 financial year. No trading activities took place in the current financial year and the company is deemed dormant.

Results and dividends

There was no profit or loss for the year to 28 March 2004 (2003 £nil). The Directors do not recommend a dividend (2003 nil dividend).

Directors and their interests

The following have served as Directors of the Company during the year ended 28 March 2004 and up to the date of approval of these accounts:

Jonathan Evans (appointed 5 August 2003)

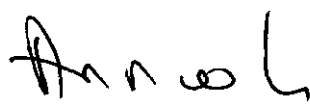
Mick Linsell was a Director until his resignation on 5 August 2003.

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

Auditors

See note below the balance sheet on page 6 for details.

By order of the Board



Andrew Poole
Secretary
London
19 April 2004

POSG 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 of the Company and of the profit or loss of the Company for that period.

In preparing those accounts Directors are required to:

- select suitable accounting policies and 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.

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 of the Group, and which enable them to ensure that the accounts comply with the Companies Act 1985. Directors are also responsible for ensuring that the assets of the Group are safeguarded and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POSG Limited

Accounting policies

The following accounting policies apply throughout the Company:

Financial year

The financial year ends on the last Sunday in March and accordingly, these accounts are made up to the year ended 28 March 2004 (2003 30 March 2003).

Basis of preparation

The accounts on pages 5 to 7 have been prepared in accordance with applicable accounting standards under the historic cost accounting convention and the requirements of the Companies Act 1985.

No new Financial Reporting Standards, which affect the presentation of these accounts have been issued by the Accounting Standards Board.

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.

POSG Limited

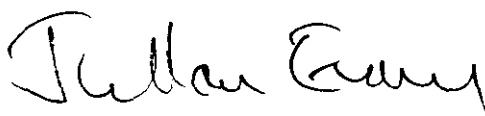
Balance sheet

	Notes	2004 £000	2003 £000
Current assets			
Debtors - receivable beyond one year	3	140	140
Net current assets		140	140
Total assets less current liabilities		140	140
Net assets		140	140
Capital and reserves			
Called up share capital	4	10	10
Share premium	5	130	130
Shareholders' funds		140	140

The accounts have not been audited because the Company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and the members have not required the Company to obtain an audit of these accounts in accordance with section 249B(2).

The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit and loss for the financial year in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

The accounts on pages 5 to 7 were approved by the Board of Directors on 19 April 2004 and signed on its behalf by:



Jonathan Evans

POSG Limited

Notes to the accounts

1 Profit and loss account

No trading activities took place in the Company during the year or in the year ended 30 March 2003 and as a consequence, no profit and loss account has been presented.

2 Directors' emoluments

All the Directors of the Company are employed and remunerated by Royal Mail Group plc and are paid no fees for their services as Directors of the Company.

3 Debtors receivable beyond one year:

	2004 £000	2003 £000
Amounts due from parent undertaking	140	140
Total	140	140

4 Share capital

The authorised, allotted, called up and fully paid share capital is 10,002 (2003 – 10,002) ordinary £1 shares, beneficially owned by Royal Mail Group plc.

5 Reconciliation of shareholders fund and movement on reserves

	Profit and Loss account £000	Share Capital £000	2004 Share premium account £000	2004 Total £000	2003 Total £000
At 31 March 2003	-	10	130	140	140
Profit/(loss) for the financial year	-	-	-	-	-
At 28 March 2004	-	10	130	140	140

6 Immediate and ultimate parent company

At 28 March 2004, the Directors regarded Royal Mail Group plc 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.royalmail.com).