POB(00)3rd PO00/29 to 43

POST OFFICE BOARD

Minutes of the meeting held at 148 Old Street on 3 / 4 April 2000

Dr Neville Bain Chairman John Roberts Chief Executive

Richard Close **Group Finance Director**

Group Managing Director Strategy and Business Jerry Cope

Development

Non-Executive Member Mike Kinski John Lloyd Non-Executive Member Rosemary Thorne Non-Executive Member Miles Templeman Non-Executive Member

Jonathan Evans Secretary Teresa Redler Notes

Group Managing Director, Mails Services Richard Dykes

Group Managing Director, Customer and Banking Services Stuart Sweetman

Kevin Williams Group Managing Director, Distribution Services

Others attending: Vanessa Leeson, Managing Director, Packages and

Express, for PO00/35, PO00/36

Mark Thomson, Managing Director, Stamps and

Collectibles, for PO00/39

MINUTES OF PREVIOUS PO00/29

MEETING

The Board approved the minutes and separate record of

proceedings of its 14 March 2000 meeting.

MATTERS ARISING

POB(00)26

PO00/30

The Board noted the matters arising from its meeting

held on the 14 March 2000.

CHAIRMAN'S BUSINESS PO00/31

There was no additional business to highlight.

CHIEF EXECUTIVE'S REPORT POB(00)27

PO00/32

Irrelevant

(vi) Horizon Roll-out continued with over 4,500 offices installed with the equipment. The Post Office was involved with ICL in a tender to provide electronic Government services – me.gov – in which the automated Post Office network would play a leading role.

FINANCIAL OVERVIEW F

W PO00/33

- (i) Provisional profit results for February were:
 - Royal Mail £35m
 - POCL £(13)m (exec Horizon)
 - Parcelforce £0 (exec Special Delivery)
- (ii) The full year profit/loss forecasts were:
 - Royal Mail £426m
 - POCL £34m (exec Horizon)
 - Parcelforce £(20)m (exec Special Delivery)
- (iii) The group full-year post-tax profit forecast was currently £337m against a target of £350m. There were opportunities of improving this forecast by up to £55m, with risks of £20m.

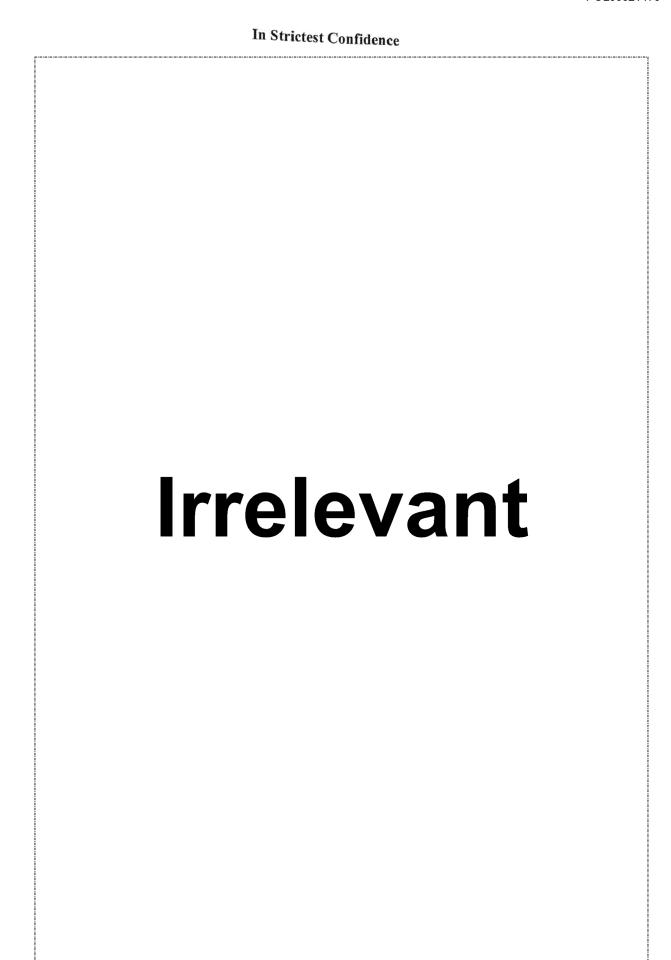
(iv) A risk to the profit forecast had emerged in the revaluation of certain assets using valuation indices which may be inappropriate. (v) The accounting treatment of the recovery of VAT on Horizon had not yet been fully agreed. A letter from the DTI confirming their understanding would be presented to the auditors to help resolve the issue. (vi) The Board agreed that in the light of continuing uncertainties in the forecast year-end profit position, a revised forecast would not be released to DTI until after the Board meeting on 3 May. Action (i) Review the use of appropriate indices for the re-Richard valuation of assets. Close PO00/34 POST OFFICE

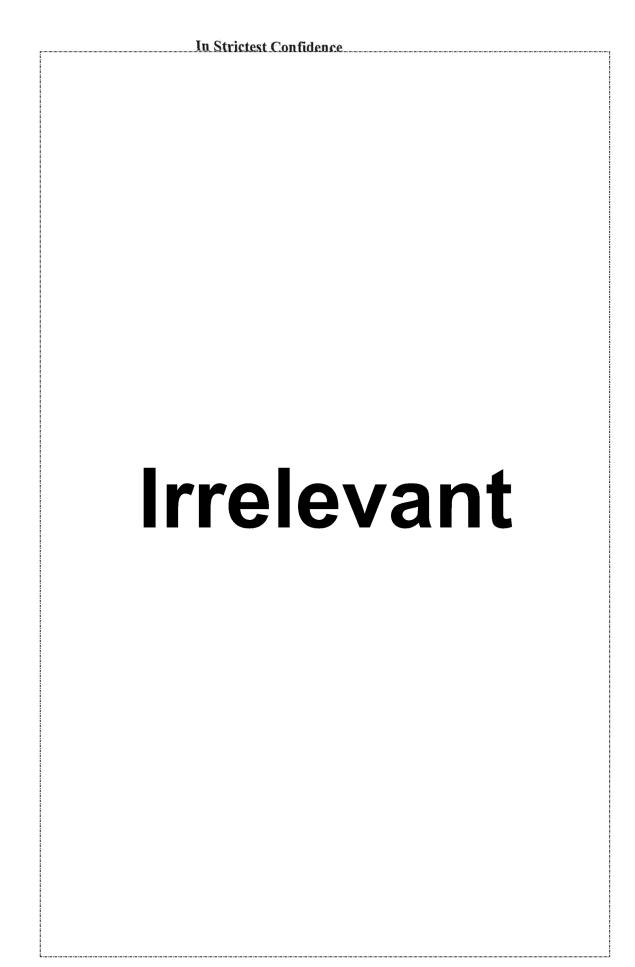
STRATEGIC PLAN 2000-05 POB(00)28





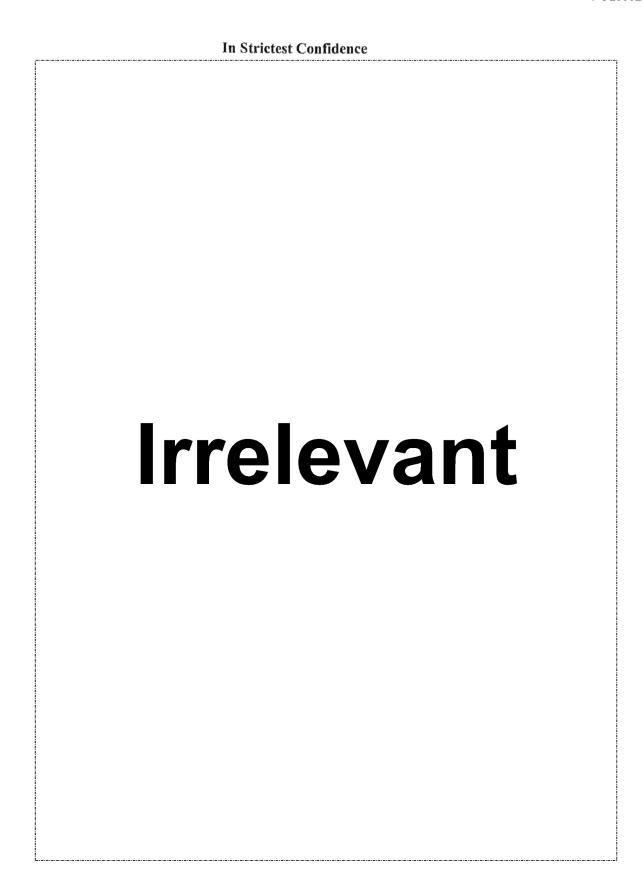














Irrelevant

REPORT AND **ACCOUNTS APPROVAL** PROCESS POB(00)35x

PO00/40

(i)

The Board endorsed the process for approval of the 1999-2000 Report and Accounts.

AUDIT COMMITTEE REPORT POB(00)36x PO00/41

(i)

The Board noted the report.

ANY OTHER BUSINESS PO00/42

Irrelevant

DATE OF NEXT MEETING PO00/43

The next meeting was scheduled for 3 May 2000.