

In Strictest Confidence

**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
Jerry Cope	Group Managing Director Strategy and Business Development
Mike Kinski	Non-Executive Member
John Lloyd	Non-Executive Member
Rosemary Thorne	Non-Executive Member
Miles Templeman	Non-Executive Member
Jonathan Evans	Secretary
Teresa Redler	Notes

Richard Dykes	Group Managing Director, Mails Services
Stuart Sweetman	Group Managing Director, Customer and Banking Services
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 MEETING PO00/29

The Board approved the minutes and separate record of proceedings of its 14 March 2000 meeting.

**MATTERS ARISING PO00/30
POB(00)26**

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 PO00/32
POB(00)27**

Irrelevant

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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 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.

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- (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**
Richard
Close
- (i) Review the use of appropriate indices for the re-valuation of assets.

**POST OFFICE
STRATEGIC PLAN 2000-
05 POB(00)28**

PO00/34

Irrelevant

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Irrelevant

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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

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Irrelevant

DATE OF NEXT MEETING PO00/43

The next meeting was scheduled for 3 May 2000.