Viessage				000000000000000000000000000000000000000		
From:	AMarnoch GRO	och GRO GRO				
Sent:	25/01/2014 22:04:22	2				
То:	Alwen Lyons	GRO)				
CC:	Alasdair Marnoch [GRO	; Alice Perkins	GRO	; Alwen Lyons	
	GRO	<u>"</u> ; Amanda A Brov		RO	; Belinda Crowe	
	GRO	; Chris Aujard	GRO		Chris M Day	
	GRO	; Fay Healey [GRO	; Henk Van F	lulle	
	GRO	; Jorja Preston	GRO	; Lari	ssa Wilson	
	GRO	; Martin Edwar	ds [GF	30	; Martin George	
	GRO]; Nicholas Ken	nett [GRO	<u> </u>	
	\ GRO)[GRO];	Paula Vennells		
	GRO	; Paul M Brow	n GRO	; R	uth Phillips	
	GRO	; Sarah Hall	GRO	; Sarah Paddi:	son	
	GRO	; Susannah St	orey [G	RO]; Susannah Hooper	
	GRO		ley GR	o];	Theresa Iles	
	GRO	; Tim Franklin	GRO	; virginia.holmes	GRO	J
Subject:	Re: Follow - up after	Board meeting of 21.01.203	L4			

Thanks Alwen - the parcels volume numbers are troubling but the margin opportunity shows the size of the prize if we get it right. I'd suggest this is a major area of focus for 2014.

Alasdair Marnoch Chief Financial Officer

CPA

Direct Dial :	GRO
BlackBerry:	GILO
Fax:	GRO
Email:amar	noch(GRO

Liberation House Castle Street St. Helier Jersey JE1 1BL

CPA Global is a leading provider of outsourced legal support services and the world's top intellectual property management specialist.

For further information about our products and services go to http://www.cpaglobal.com/

A Please think of the environment before you print this email.

From:	Alwen Lyons <	GRO]					
To:	"Alice Perkins (GR	O t)" {	GRO		GRO !	GF</td <td>RO :</td> <td>, "Tir</td>	RO :	, "Tir
	Franklin GRO	." GF</td <td>o j Alasdair Mar</td> <td>noch <{</td> <td>GRO</td> <td>, "a GRO</td> <td>)</td> <td></td>	o j Alasdair Mar	noch <{	GRO	, "a GRO)	
	<amarnoch(gro<="" td=""><td>"virginia.holmes</td><td>GROi" <virginia.h< td=""><td>olmes(<u>GRO</u></td><td>Susannah Hoope</td><td>r (susannah_hoor</td><td>er(GRO</td><td>)</td></virginia.h<></td></amarnoch(>	"virginia.holmes	GROi" <virginia.h< td=""><td>olmes(<u>GRO</u></td><td>Susannah Hoope</td><td>r (susannah_hoor</td><td>er(GRO</td><td>)</td></virginia.h<>	olmes(<u>GRO</u>	Susannah Hoope	r (susannah_hoor	er(GRO)
	<susannah_hooper@ gre<="" td=""><td></td><td>ih Storey (susannah.store</td><td>GRO GRO</td><td>¯`į̇̃ <susannah.storey< td=""><td>GRO</td><td>>, Paula Vennel</td><td>ls</td></susannah.storey<></td></susannah_hooper@>		ih Storey (susannah.store	GRO GRO	¯`į̇̃ <susannah.storey< td=""><td>GRO</td><td>>, Paula Vennel</td><td>ls</td></susannah.storey<>	GRO	>, Paula Vennel	ls
	<pre><paula.vennells gro<="" pre=""></paula.vennells></pre>	Chris M Da	ay <chris.m.day gr<="" td=""><td>₹Ö },</td><td>·-··</td><td></td><td>'</td><td></td></chris.m.day>	₹Ö },	· -··		'	
Co:	Alwen Lyons <alwen.lyonse< td=""><td>GRO</td><td>Martin George <martin.g< td=""><td>eorge GRO</td><td>, Paul M Brown</td><td>n <paul.m.brown< td=""><td>GRO</td><td></td></paul.m.brown<></td></martin.g<></td></alwen.lyonse<>	GRO	Martin George <martin.g< td=""><td>eorge GRO</td><td>, Paul M Brown</td><td>n <paul.m.brown< td=""><td>GRO</td><td></td></paul.m.brown<></td></martin.g<>	eorge GRO	, Paul M Brown	n <paul.m.brown< td=""><td>GRO</td><td></td></paul.m.brown<>	GRO	
	Sarah Hall <sarah.hall< td=""><td>CDO</td><td>olas Kennett <nicholas.k< td=""><td>ennett gro</td><td>Henk Van H</td><td>ulle <henk.vanhuii< td=""><td>e(GRO</td><td></td></henk.vanhuii<></td></nicholas.k<></td></sarah.hall<>	CDO	olas Kennett <nicholas.k< td=""><td>ennett gro</td><td>Henk Van H</td><td>ulle <henk.vanhuii< td=""><td>e(GRO</td><td></td></henk.vanhuii<></td></nicholas.k<>	ennett gro	Henk Van H	ulle <henk.vanhuii< td=""><td>e(GRO</td><td></td></henk.vanhuii<>	e(GRO	
	ray ricalcy \lay.ricalcj		ris Aujard <christopher.a< td=""><td>ujard GRO</td><td>Belinda Crowe</td><td><belinda.crowei< p=""></belinda.crowei<></td><td>GRO</td><td></td></christopher.a<>	ujard GRO	Belinda Crowe	<belinda.crowei< p=""></belinda.crowei<>	GRO	
	Larissa Wilson <larissa.wijsoi< td=""><td></td><td>k>, Jorja Preston <jorja.p< td=""><td>, 0110</td><td>, , , , , , , , , , , , , , , , , , , ,</td><td><ruth.phillips(< td=""><td>GRO</td><td></td></ruth.phillips(<></td></jorja.p<></td></larissa.wijsoi<>		k>, Jorja Preston <jorja.p< td=""><td>, 0110</td><td>, , , , , , , , , , , , , , , , , , , ,</td><td><ruth.phillips(< td=""><td>GRO</td><td></td></ruth.phillips(<></td></jorja.p<>	, 0110	, , , , , , , , , , , , , , , , , , , ,	<ruth.phillips(< td=""><td>GRO</td><td></td></ruth.phillips(<>	GRO	
	Theresa lles <theresa.iles< td=""><td></td><td>Sarah Paddison <sarah.p< td=""><td></td><td></td><td></td><td></td><td>,</td></sarah.p<></td></theresa.iles<>		Sarah Paddison <sarah.p< td=""><td></td><td></td><td></td><td></td><td>,</td></sarah.p<>					,
	<martin.edwards 1="" gro<="" td=""><td>jSuzanhe</td><td>e Jolley <suzanne.jolley< td=""><td>GRO 5,</td><td>Amanda A Brown <a< td=""><td>manda.a.brown(</td><td>GRO</td><td>-</td></a<></td></suzanne.jolley<></td></martin.edwards>	jSuzanhe	e Jolley <suzanne.jolley< td=""><td>GRO 5,</td><td>Amanda A Brown <a< td=""><td>manda.a.brown(</td><td>GRO</td><td>-</td></a<></td></suzanne.jolley<>	GRO 5,	Amanda A Brown <a< td=""><td>manda.a.brown(</td><td>GRO</td><td>-</td></a<>	manda.a.brown(GRO	-
Date:	24/01/2014 11:04		-			L. _		
Subject:	Follow - up after Board meeti	ng of 21.01.2014						
Sent by:	Jorja Preston <jorja.preston< td=""><td>GRO</td><td></td><td></td><td></td><td></td><td></td><td></td></jorja.preston<>	GRO						

Dear All

There were questions on several topics at the Board meeting which the presenters thought would be helpful to provide answers to sooner rather than later:

1. Business Transformation

The Alsbridge work will be completed by the 30th March

2. Parcels

Parcels volume v sales revenue and POL parcels income

All of the following are down versus last year, Parcels volume 9%, Parcels sales revenue 7% and POL Parcels income 9%. This includes all consumer and small business parcels but excludes collections and returns both of which have grown versus last year.

The total UK parcels market is 1.2bn; POL currently has circa 230m of this total volume. Very roughly this means that an additional 1% share would be worth 10m items, based upon average income per parcel and assuming volume was spread across collections and returns and consumer/small business parcels POL would earn an additional £6m.

3. MyAccount

My account - the plan is to have one overarching customer account which includes all product areas. This is key to the strategy as it will help to enable cross-product holdings and minimise confusion for customers as only one password and a single sign in process will be required.

4. Cost Reduction programme flow through and full year effect.

The Cost Reduction programme identified £3.0m of in year savings in FY13/14 but c£2.2 m of these are short term tactical, and £0.8m of the in-year savings have an on-going impact. The FY14/15 impact of these programmes is expected to be £5.3m and they are included in the budget submissions within the £34m saving highlighted as coming from this programme in the budget paper. The annualised impact of the activities is therefore £6.1m. This does not represent all savings made across the year, as some of these were made earlier to meet budget stretches and have not been incorporated into the programme.

5. Rateable position for ATMs

The VOA's position remains unchanged; they consider our ATMs to be separately rateable.

A great deal of discussion has been held between Post Office and BIS including significant supporting evidence from Post Office which resulted in independent legal opinion from BIS that our ATMs should not be separately rateable which has been communicated to the VOA and is currently under consideration. The planned communication to branches from the VOA advising them their ATM will be subject to separate taxation is on hold with no firm date until the legal challenges have been resolved.

The earliest any bills would be issued by VOA in relation to our ATMs would be in February, but no definite date has been given as this depends on how long VOA takes to review latest information from BIS. If bills are issued then final resolution of the rates issue will depend on the next steps we take to challenge e.g. if we go through a court case which could take another 6 to 12 months.

Below numbers show the financial impact to POL (from Crown ATMs) and sub postmasters - for historic and future charges.

Business Rates based on Rateable Values provided by VOA:

	2010/11	2011/12	2012/13	2013/14	Total 10/11 to 13/14	2014/15
Agency branches	£2,296,118	£2,538,030	£2,831,250	£3,264,948	£10,930,347	£3,888,495
Crown branches	£351,424	£367,552	£395,025	£412,007	£1,526,008	£419,043
Total	£2,647,542	£2,905,582	£3,226,276	£3,676,956	£12,456,355	£4,307,538

6. 2nd Sight update

As reported to the Board late last year, we have been endeavouring to formalise SS's engagement by putting in place a formal appointment letter, one of the terms of which will expressly restrict SS's ability to act against PO. For a variety of reasons (mainly related to defining the scope of their work), this letter has proved very difficult to finalise, though good progress has been made in the

last few days. SS are, however, still (mildly) resisting the inclusion of a clause imposing *any* form of restriction on their ability to undertake future related work. That said, we do expect that over the course of the forthcoming week (and ahead of the next face to face meeting of the working group) all outstanding issues, including this one, will be resolved in our favour. In the meantime, the provisions of the confidentiality agreement that was put in place at the start of their engagement continue to provide some, albeit limited, protection in that they expressly prohibit SS divulging, without our consent, any confidential information obtained by them as part of their work.

7. Engagement benchmarking

Our response rate was 34%. IPSOS Mori have said that typical B2B survey response rates are @ 20%.

Many thanks

Alwen

Alwen Lyons I Company Secretary

***************************************		,00000
1 st Floor, Banne	r St Wing, 148 Old Street, London EC1V 9HQ	
GRO	Postline GRO	
alwen.lyons	GRO .	
Personal Assista	int	
jorja.preston	GRO	
GRO		

This email and any attachments are confidential and intended for the addressee only. If you are not the named recipient, you must not use, disclose, reproduce, copy or distribute the contents of this communication. If you have received this in error, please contact the sender by reply email and then delete this email from your system. Any views or opinions expressed within this email are solely those of the sender, unless otherwise specifically stated.

POST OFFICE LIMITED is registered in England and Wales no 2154540. Registered Office: 148 OLD STREET, LONDON EC1V 9HQ.

The information in this message is confidential and may be legally privileged. It is intended solely for the addressee; access to this email by anyone else is unauthorised.

If you are not the intended recipient: (1) you are kindly requested to return a copy of this message to the sender indicating that you have received it in error, and to destroy the received copy; and (2) any disclosure or distribution of this message, as well as any action taken or omitted to be taken in reliance on its content, is prohibited and may be unlawful.