

**DRAFT WORDING FOR THE ANNUAL REPORT & ACCOUNTS****Version A: DISCLOSE THE NUMBERS**

On 11 April 2016, a High Court claim was issued on behalf of a number of postmasters against Post Office in relation to various legal, technical and operational matters ("the Post Office Group Litigation"). Post Office is [vigorously] defending the claim, which is proceeding under a Group Litigation Order, and the Court has ordered two trials to be heard during the 2018-19 financial year to determine preliminary issues in dispute between the parties.

[No 'Statement of Claim' setting out the damages sought has yet been received from the Claimants, nor has] the Court yet ordered a process for determining the issues of liability or quantum in the litigation. Nevertheless, in a submission to the Court on 5 June 2018, the Claimants indicated, for the first time, an estimated aggregate claim value of £80m - £90m. This figure has no official status, and the Claimants have not produced any evidence or methodology to support or verify this claim valuation, instead stating that "there are inherent difficulties to setting out the quantum of these claims at this stage."

While the Directors recognise that an adverse outcome could be material, they are currently unable to determine whether the outcome of these proceedings would have a material adverse impact on the consolidated position of the Group, and are unlikely to be able to do so until the Court has made further determinations and the Claimants have provided better information about the value of their claims; the Directors continue to keep this under close review.

**Version B: NO DISCLOSURE**

On 11 April 2016, a High Court claim was issued on behalf of a number of postmasters against Post Office in relation to various legal, technical and operational matters ("the Post Office Group Litigation"). Post Office is [vigorously] defending the claim, which is proceeding under a Group Litigation Order and the Court has ordered two trials to be heard during the 2018-19 financial year to determine preliminary issues in dispute between the parties.

[No 'Statement of Claim' setting out the damages sought has yet been received from the Claimants nor] has the Court yet ordered a process for determining the issues of liability or quantum in the litigation, and the Claimants have recognised that there are inherent difficulties to setting out the quantum of these claims at this stage. While the Directors recognise that an adverse outcome could be material, they are currently unable to determine whether the outcome of these proceedings would have a material adverse impact on the consolidated position of the Group, and are unlikely to be able to do so until the Court has made further determinations and the Claimants have provided better information about the value of their claims; the Directors continue to keep this under close review.