

7

22 August 2006

Ms Ruth Simpson

GRO

Bond Pearce LLP
Ballard House
West Hoe Road
Plymouth PL1 3AE

Tel: **GRO**
Fax: **GRO**
DX 8251 Plymouth

stephen.dilley **GRO**
Direct: **GRO**

Our ref:
SJD3/JL1/348035.134
Your ref:

Dear Ms Simpson

Post Office Ltd v Mr Lee Castleton
14 South Marine Drive, Bridlington YO15 3DB

I act on behalf of the Post Office. From approximately 18 July 2003 to 23 March 2004 Mr Castleton was a sub-postmaster at 14 South Marine Drive, Bridlington. His contract provides that he is strictly responsible for the safe custody of cash and stock and to make good any losses caused through his own negligence, carelessness or error and also loss of any kind caused by his assistants.

The Post Office has issued a claim against Mr Castleton to try to recover the net losses that accrued whilst he was a subpostmaster. Mr Castleton has issued a counter claim claiming wrongful termination of his contract. The P.O's claim is for the sum of £25,858.95 plus interest and costs.

Mr Castleton's defence is that the apparent shortfalls are nothing more than accounting errors arising from the operation of the Horizon computer system.

On or around 24 March 2004, you took over as temporary sub-postmaster of Marine Drive branch for a period of time. I would like to speak to you to discuss how long you acted as temporary sub-postmaster at the branch, whether you remember in particular encountering any difficulties with the IT systems in place and to confirm that you did not have any significant problems balancing each week (i.e I understand that you did not make unauthorised losses). On the basis of our discussion, I would then like to prepare a short witness statement for your approval setting out the above details.

I would be grateful if you could contact me on direct line **GRO** once you have had the opportunity to review this letter and thank you in anticipation of your assistance.

Kind regards,

Yours sincerely

Stephen Dilley
Solicitor
for and on behalf of Bond Pearce LLP