Bond Pearce

Telephone attendance

Client: Royal Mail Group PLC Sub Postmaster Litigation

Matter: Mr Lee Castleton   Matter no: 348035.134

Attending:

Name: Stephen Dilley/ob1   Location: N/A   Date: 2 October 2006

Start time: Units:

SJD telephone conversation with Tony Kane, who was coming back to me on my email of 27 September to him.

He said that he did not have a solid answer. He did not know how the transfers into suspense accounts worked. As a surplus is taken out of cash shortages, the only thing that changed was the cash figure in the snap shots. He doesn't think it changed the discrepancy figure. He doesn't really know how it works. The totals changed by the adjustment, but the difference is the same. When a sub-postmaster has a shortage, he can pay it into his expense account to reduce it. The discrepancy should go down too.

What worries him about the test is that when the amount was paid into the expense account, it had just the cash figure. He would expect the £100 in the expense account but it not to reduce the cash figure. The expense account should be seen as a separate figure. He thinks this may have been caused by the way the test was set up.

What he ultimately said was that he couldn't understand why there was a discrepancy surplus still showing in the cash account for week 6 of £103.11 and a £100 authorised cash shortage showing. He couldn't explain why the surplus was still showing the cash account after the transfer of £100 into the expense account. The cash account should reduce. Conversely, he couldn't explain why there was a shortage of £101.21 showing in the cash account week 7 after the £100 was transferred back out of the expense account. We discussed whether the £100 out of the £103.11 might be an additional surplus for that week, but if so, it should balance out the week later ie. there should be just a £1.21 shortage showing a week later.

Agreeing within the time I will talk to the retail line manager to try to get to the bottom of this.

Time engaged including attendance note – 42 minutes