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**From:** Jane MacLeod [GRO]  
**Sent:** Fri 27/07/2018 12:21:07 PM (UTC)  
**To:** Paula Vennells [GRO]; Alisdair Cameron [GRO]; Carla Stent [GRO]; Tim.Franklin [GRO]  
**Cc:** Michael Passmore [GRO]  
**Subject:** RE: PostMaster Litigation - Disclosure in the ARA. CONFIDENTIAL AND SUBJECT TO LEGAL PRIVILEGE. DO NOT FORWARD OR COPY

Thanks Paula,

Given we have been advised that we should not expect to win all the implied terms points, and that as yet we have no visibility of the claims that postmasters may subsequently bring against us once the common issues and Horizon issues have been resolved, I don't think we can say 'we strongly believe that the case lacks merit'. This was the thinking behind the change in language from 'without merit'.

Jane



**Jane MacLeod**

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**From:** Paula Vennells  
**Sent:** 27 July 2018 11:49  
**To:** Jane MacLeod [GRO]; Alisdair Cameron [GRO]; Carla Stent [GRO]; Tim.Franklin1 [GRO]  
**Cc:** Michael Passmore [GRO]  
**Subject:** Re: PostMaster Litigation - Disclosure in the ARA. CONFIDENTIAL AND SUBJECT TO LEGAL PRIVILEGE. DO NOT FORWARD OR COPY

Does this help EY:  
“... believes strongly that it lacks merit...”

Ie., add 'strongly'

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**From:** Jane MacLeod [GRO]  
**Sent:** Friday, July 27, 2018 11:39  
**To:** Alisdair Cameron; Paula Vennells; Carla Stent; Tim.Franklin1  
**Cc:** Michael Passmore  
**Subject:** PostMaster Litigation - Disclosure in the ARA. CONFIDENTIAL AND SUBJECT TO LEGAL PRIVILEGE. DO NOT FORWARD OR COPY

As AI flagged below, EY wanted us to amend the first paragraph of the Contingent Liability note to say that we were 'robustly/vigourously' (or equivalent words) defending the litigation, and that we believed the Postmaster case was 'without merit'. I have circulated that wording around both the Legal team and the Comms team, and our preferred wording is now as set out below (changes in red). There are reasons for 'lacks merit' rather than 'without merit' and I can summarise these at the ARC if required.

If you are comfortable with this, we will forward it to EY.

Kind regards,

Jane

“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, many of which have been the subject of significant external focus for a number of years. Post Office is robustly defending the claim, believes it lacks merit, but welcomes the opportunity to have these matters resolved through the Court managed Group Litigation Order.

The Court has ordered two trials to be heard in 2018-19 to determine a subset of the preliminary issues in dispute between the parties. The Court has not yet ordered a process for determining any issues of liability or quantum. To date, the Claimants have not asserted the aggregate value of their claims in any of the Particulars of Claim filed in the litigation.

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 the necessary information about the value of their claims. The Directors continue to keep this under close review.”



**Jane MacLeod**

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**From:** Alisdair Cameron  
**Sent:** 27 July 2018 09:33  
**To:** Paula Vennells [redacted]; Carla Stent [redacted]; Tim.Franklin1 [redacted]  
**Cc:** Michael Passmore [redacted]; Jane MacLeod [redacted]  
**Subject:** EY

Dear all, just to let you know that we had a call with EY this morning and, fingers crossed, it looks like we are getting them there at last.

On the litigation they accept that it is a contingent liability, we do not need to disclose the £80-90m and they

will not refer to it in their audit report. They have suggested an additional sentence for disclosure but Jane will judge that on its merits.

On the audit side they have asked for one more sample test around IT access but no one thinks it could change the numbers. They also need formal sign off from their technical and pensions partners which could result in minor wording changes.

In summary they said that they were happy for us to recommend we sign the ARA to the ARC and Board on Tuesday. The numbers have not changed since the last ARC and the previous adjustments have been through the ARA which is on Boardpad.

We will try and get our cover note and their report out this afternoon.

Many thanks to Jane, Micheal and their teams.

Al

Alisdair Cameron  
Chief Finance & Operating Officer

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**GRO**