

TAB 2

Claim No: 5 SZ 00651

IN THE SCARBOROUGH COUNTY COURT

BETWEEN

POST OFFICE LIMITED

Claimant

and

LEE CASTLETON



Defendant

DEFENCE AND COUNTERCLAIM

Defence

1. Paragraphs 1 to 5 of the Particulars of Claim are admitted.
2. As to paragraph 6 of the Particulars of Claim, it is admitted that by March 2004 there was an apparent shortfall in the account of Marine Drive Post Office of £25,758.75. The Defendant avers however that the final audit, following which he was suspended by the Claimant, took place on 23 March 2004. Upon his suspension, the Claimant arranged for a temporary sub-postmaster to temporarily take over the Defendant's duties. In the premises, and without prejudice to the more general denial at paragraph 4 below, any apparent losses sustained after 23 March 2004 (including the pleaded loss of £176 in relation to National Lottery game sales on 24 March 2004) are not attributable to the Defendant.
3. In relation to the figure of £1,256.88 pleaded at paragraph 6 as a loss relating to "Automated products", the Defendant avers that this relates to the erroneous double-crediting of the sum to the National Savings & Investment Bank account of one Mrs Dorothy Constable (which for the complete avoidance of doubt was not done by the Defendant), which sum was repaid to the Claimant by Mrs Constable in January 2005. Accordingly, it is denied that the Defendant has any liability in respect of that particular head of loss.

Paragraph 7 of the Particulars of Claim is denied.

5. The Defendant repeatedly sought assistance from his managers within the Claimant company during the period over which the apparent shortfall accumulated. No assistance was forthcoming. The Defendant avers that any apparent shortfall is entirely the product of problems with the Horizon computer and accounting system used by the Claimant.

6. The Defendant further avers that, upon disclosure by the Claimant of the daily balance snapshot documents created by the Defendant during the course of his tenure as sub-postmaster at Marine Drive Post Office, and which were removed from the post office on the Defendant's suspension, he will be able to demonstrate through a manual reconciliation of the figures contained within those snapshots that the apparent shortfalls are in fact nothing more than accounting errors arising from the operation of the Horizon system. The Defendant will plead further and more fully in this regard following disclosure.

7. Paragraphs 8 to 10 of the Particulars of Claim are denied.

Counterclaim

8. The Defendant repeats paragraphs 1 to 7 above.

9. The Defendant avers that the Claimant wrongfully terminated the Defendant's contract as a sub-postmaster following his suspension and that the true cause of the apparent shortfall in the accounts of Marine Drive Post Office is the Claimant's own computer system not any misconduct or negligence on the part of the Defendant or his assistant.

10. By reason of the Claimant's wrongful termination of his contract, the Defendant has suffered and continues to suffer loss:

Particulars

The Defendant is not yet fully able to particularise his counterclaim. However, the broad heads of loss in respect of which the Defendant claims are as follow:

(a) loss of income as a sub-postmaster

- (b) diminution in capital value of the Defendant's shop which previously shared the same premises as Marine Drive Post Office; and
- (c) loss of profits from the post office itself, and the associated reduction in turnover at the Defendant's shop as a result of the removal by the Claimant of the post office franchise from the premises.

11. The Defendant is unable to quantify his counterclaim at this juncture but limits it to a figure not exceeding £250,000.

12. The Defendant also claims interest pursuant to section 69 of the County Courts Act 1984 on such sums and for such period as the court shall consider appropriate.

AND the Defendant counterclaims

- 1. Damages;
- 2. Interest

DATED 15 August 2005

STATEMENT OF TRUTH

I believe that the facts stated in this statement of case are true.

Full Name

Signed

Served by Rowe Cohen of Quay House, **GRO**

(Ref: MDT.113969)

Solicitors for the Defendant

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DATED 15 August 2005

STATEMENT OF TRUTH

I believe that the facts stated in this statement of case are true.

Full Name LEE CASTLETON

GRO

Signed

Served by Rowe Cohen of Quay House, GRO

(Ref: MDT.113969)

Solicitors for the Defendant