



"Stephen Dilley"

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04/12/2006 11:38

To: "Richard Morgan"  
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Subject: Castleton's skeleton argument

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Please see attached for information

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CLAIM NO. HQ 05 X 02706

IN THE HIGH COURT OF JUSTICE  
QUEENS BENCH DIVISION  
BETWEEN:

POST OFFICE LIMITED

AND

LEE CASTLETON

DEFENDANTS SKELETON  
ON TRIAL TO BE HEARD  
FROM MONDAY 4<sup>TH</sup> DECEMBER 2006.

Introduction

1. This is the skeleton argument of the defendant (D) for the trial listed to start on 4<sup>th</sup> December 2006.

Background

2. I was appointed, under the standard sub post office contract, as the sub post master of the Marine Drive branch at 14 South Marine Drive, Bridlington, on the 18<sup>th</sup> July 2003.

3. I under the terms of that contract was appointed as an agent for the Claimant ( C ). I operated the branch as per the aforementioned contract. But on the 14<sup>th</sup> January the branch suffered a loss of £1103.15. I, as per the contract, rang C's help line to report the loss. I was assured that the loss would "just be an error and that in six weeks the correcting notice would return to me. I continued to suffer losses for a further 10 weeks, all of which , " C " does not contest, were reported. But "C" failed to act upon despite numerous and repeated reports.

4. Marine Drive branch operates an electronic accounting system provided and maintained by "C". Horizon produces a daily and weekly account balance. The weekly account balance is prepared by horizon. First a trial balance is printed if the account is not at balance this gives the Post Master the opportunity to check the trial figures produced. If at

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this point there are any problems He can call "C's" help line for any help or advice. At this point and on other occasions days prior I repeatedly notified "C" of the inaccuracy of the horizon systems account at Marine Drive branch. I was given assurances that varied then after reporting the losses the following morning prior to opening having included lottery takings from the previous day I printed and signed the weekly cash account in good faith.

5. However over the 11 week period the horizon system recorded large losses ,all reported to "C" , I was always assured by "C" that they would be dealt with.

6. I requested an audit of the office to my line manager. The audit took place at 0800Hrs. 23<sup>rd</sup> March 2004. Horizon showed a £25758-75 shortfall, this was shown on the post office form P242. This form is the certificate of audit and is filled out by the auditors on completion of an audit. "C" will not show this certificate because I did not sign it.

7. On and throughout the audit the lottery machine in the retail area of the property was selling lottery tickets to customers. This was allowed by both the line manager and the auditors. The following morning the lottery monies and terminal receipts were given to the temporary sub post mistress Mrs. Simpson. Mrs. Simpson was the only person who could transact any transactions in the post office because the alarm code was changed and all keys handed over for that area. The lottery terminal is open until 19.30 Hours and the post office is open only until 17.30 Hours so the transactions are entered into horizon the following morning prior to opening.

8. "C" failed to act from the outset of the problem. This was despite my repeated requests and clear reports to the balancing problems occurring at Marine Drive branch caused by Horizon system. "C" failed in its duty of care to me and my staff.

9. Horizon system as, Alan Brown (witness) , V. K. Bajaj (witness) and Mrs. D. Day will show has had numerous balancing problems and "C" has also failed in there duty of care to them. Status reports, transaction logs and daily/weekly paperwork will reveal the communication fault that Horizon system suffers.

10. Mr. Jones witness, asserts that only £20,000-00 was returned over the period of 15<sup>th</sup> January to 17<sup>th</sup> March. This is because £35,000-00 actually returned was made up of foreign currency (Scottish notes), coinage and unusable notes (defaced, ripped). This then proves that the £35000-00 returned when taken from the actual ordered £316,590-00 gives

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£282,000-00. This when consideration that the Branch needed £288,000-00 to full fill its payments clearly shows that physically all cash is accounted for. Therefore I would ask that "C" is allowed to prove that this physical cash is missing before my witnesses and I are asked to defend there assertions.

Lee Castleton

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