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to Beaudroff's 20/7/16

20.07.2016

SUBPOSTMASTER DEBT CLAIMS

CHECKLIST OF DOCUMENTS TO BE PROVIDED BY FORMER AGENT DEBT TEAM (CHESTERFIELD) TO
EXTERNAL LAWYERS (BOND PEARCE & BEACHCROFT)

All claims

Name and address of debtor	Mr Kevin Leslie Palmer First Class News Ltd GRO Date of Birth: GRO National Insurance Number: GRO Tel: GRO Email: GRO
Branch Code, Branch Name and address	103 140 The Grange Post Office 105 London Road Rayleigh Essex SS6 9AX
Value of debt	£62,084.01
POLTD Number	POLTD/1516/0068
If address unknown, please give details of any traces undertaken	N/A
Any additional information (eg any known assets, previous settlement arrangements, indications from debtor about potential defence)	<u>Known assets</u> GRO <u>Previous Settlement Arrangement</u> None <u>Potential Defence</u> Claiming Horizon issues
POL business contact and number	Jackie Grace: GRO
POL legal contact and number to receive invoice	Rodric Williams
Cost Centre Code	2540947

Stage 1 enclosures: initial instructions & letter before action

	Documents	Yes/No – if no, give reasons
1.	Appointment papers & details of contract (e.g. standard, modified, temporary) or franchise (including guarantee from company director)	Yes
2. a	Final Account	Yes
3.	Correspondence between Agent Debt Team & subpostmaster re: debt	No – Contract Manager's letter counted as final demand
4. a-b	Audit report	Yes
5. a	Statement of debt	Yes
6. a	Evidence in support of <u>each</u> element of statement of debt See Audit Report for evidence on £61,858.40 See Final Account for evidence on £205.61	Yes
7.	Product statements re: any third party products	No – not necessary
8. a-l	Correspondence between contracts manager & subpostmaster re: suspension, termination & appeals, including RTU interview	Yes

9. Additional Information

Stage 2 enclosures: before commencing proceedings

	Documents	
1.	Cash accounts and/or branch trading statements for relevant period	No – not necessary
2.	Relevant extracts from Credence reports	No – not necessary
3.	Details of subpostmaster training	No – not necessary
4.	Tiers 1 & 2 Helpline call logs (if any)	No – not necessary
5.	Details of tenure of branch	No – not necessary
6.	Investigator's report, security file & details of any criminal investigations	No – not necessary
7.	Employment details of assistants	No – not necessary
8.	Termination file (reasons to urge letter, appeal correspondence if any, interview notes)	No – not necessary

Date 20.07.2016

**FORMER SUBPOSTMASTERS ACCOUNT
THE GRANGE POST OFFICE
FAD 103 140
FIRST CLASS NEWS LTD**

First Class News Ltd was the Operator of The Grange Post Office from 01.10.2013 – 20.11.2015 and Mr Kevin Leslie Palmer was the Director.

Details are:-

National Insurance Number: **GRO**

Date of Birth: **GRO**

Known Address: **GRO**

Telephone: **GRO**

Email: **GRO**

Outstanding Debt: £62,084.01

Background

Mr Palmer was the Postmaster at The Grange Post Office from 09.08.2007, but started trading as First Class New Ltd from 01.10.2013.

An audit was carried out at the above branch on 20.11.2015 and a loss of £61,858.40 was settled to late accounts and the Postmaster subsequently suspended.

A further £205.61 deficiency was posted to late account on 23.11.2015 when an audit to handover to the temporary postmaster was carried out.

On 24.11.2015 Carol Ballan, Agents Contract Manager wrote to Mr Palmer confirming that First Class News Ltd, the Operator, was suspended with effect from 20.11.2015.

On 25.11.2015 Carol Ballan wrote to Mr Palmer to set out further details regarding the suspension.

On 04.12.2015 Carol Ballan wrote to Mr Palmer asking him to complete a questionnaire after being informed that he believed the loss was a Horizon issue.

On 18.12.2015 Carol Ballan wrote to Mr Palmer asking him to attend an informal meeting.

On 24.02.2016 Carol Ballan wrote to Mr Palmer asking him to provide full details of how and why the loss arose or give any reason why Post Office should not pursue him for the loss.

On 11.03.2016 Carol Ballan received a letter from Mr Palmer dated 07.03.2016 whereby Mr Palmer gave his formal resignation.

On 07.04.2016 a transaction correction for Bank of Ireland ATM £20.00 debit was posted to the account taking the outstanding debt to £62,084.01.

On 14.04.2016 Carol Ballan wrote to Mr Palmer advising him that his contract with Post Office dated 19.09.2013 (the "Agreement") does not allow him to terminate the Agreement with immediate effect. She then goes on to say that Post Office was left with no choice but to terminate his Agreement with immediate effect. She went on to give full details of the outstanding debt and give him until 13.05.2016 to pay in full or contact the Former Agents Debt Team to discuss a payment plan.

On 27.05.2016 Elisa Lukas wrote to Mr Palmer's Solicitors, Bark & Co in response to their question as to how the contractual review process and the security investigation linked together.

Response received from Bark & Co dated 01.06.2016 stating that the letter dated 27.05.2016 did not clearly answer the questions raised during their telephone conversation and as such required clarity on certain matters.

On 09.06.2016 Carol Ballan wrote to Mr Palmers outlining the consequences of termination should the Post Office relocate to another site. (Please note the amount stated in the letter is reducing every day and an invoice will not be sent unless the Post Office is relocated.)

On 20.06.2016 email received from Bark & Co asking when they would receive a response to their letter.

On 23.06.2016 Elisa Lukas wrote to Bark & Co advising that Post Office will pursue Mr Palmer through civil proceedings for repayment of the debt, rather than bring criminal prosecution.

No further correspondence received.

NOTE

No letters were sent out by the Former Agents Team, as Carol Ballan's letter dated 14.04.2016 represented a final demand for the full amount outstanding, threatening proceedings if not paid by 13th May or a payment plan agreed. It was agreed that to start at the beginning of the debt recovery process would undermine this letter.

No prosecution was sought by Post Office Security as Mr Palmer denied taking the monies and blamed the loss entirely on Horizon issues. From previous legal advice given on this matter, it was decided they would be unable to pursue a prosecution, as the evidential test would not have been met by not having an independent witness to prove the integrity of the Horizon system.

URGENT

Can you please start your process to obtain judgment including costs and interest and proceed to secure the debt by way of a charge on his property

GRO

GRO

Should you have any queries regarding this account, please do not hesitate to contact me at the address below or telephone me on the number listed below.

Yours sincerely,

Mrs Jackie Grace
Former Agents Debt
Post Office Limited
2nd Floor West
No 1 Future Walk
Chesterfield
S49 1PF

GRO



ON SITE MAIN POST OFFICE® AGREEMENT

PREFACE

All capitalised terms not defined in this Preface have the meanings given to them in the Standard Conditions for the Operation of a Main Post Office® Branch (On Site, Post Office Limited Cash) (the Standard Conditions).

This Preface is part of an Agreement between Post Office Limited and the Operator for the operation of a Main Post Office Branch (as defined in the Standard Conditions) at the Branch Premises (as defined below).

The Agreement consists of the following documents:

- This Preface and the following Appendices to it:
 - Appendix 1 – Fit Out Works
 - Appendix 2 – Equipment
 - Appendix 3 – Conditions of Appointment
- The Standard Conditions
- The Manual (as defined in the Standard Conditions)
- The Fees Booklet (as defined in the Standard Conditions)

Please sign and return both copies.
Post Office Ltd will countersign and return one copy of each for your records.

1. The Agreement is between:
 - (a) Post Office Limited (Company No. 02154540), whose registered office address is at 148 Old Street London EC1V 9HQ (Post Office Ltd); and
 - (b) First Class News Ltd (Company No. 8140666) of 55 Crown Street, Brentwood, Essex, England, CM14 4BD (the Operator)
2. The Branch Premises are the Operator's premises at: 105 London Road, Rayleigh, Essex, SS6 9AX
3. The Branch will have the following numbers of Combined Retail Counter Positions 1 and Dedicated Post Office Counter Positions 2 at the Start Date.

9. The Operator's VAT Number is 140301967
10. Fit Out Works and Investment Payment
 - 10.1 The Fit Out Works for the Branch Premises are described in Appendix 1 to this Preface. They are split into two categories – Post Office Ltd Funded Works and Operator Funded Works.
 - 10.2 The Equipment required to operate the Branch is listed in Appendix 2 of this Preface. It is split into two categories – Post Office Ltd Funded Equipment and Operator Funded Equipment.
 - 10.3 Post Office Ltd shall fund the cost of the Post Office Ltd Funded Equipment up to a maximum of £45,000.00
 - 10.4 Subject to the provisions of Part 3 of the Standard Conditions, Post Office Ltd will also fund the cost of the Post Office Ltd Funded Works up to a maximum of £9,500.00 (*This Figure includes Up to £3,000.00 towards Careerwear*)
 - 10.5 The total of the funding provided by Post Office Ltd and described in clauses 10.3 and 10.4 above is referred to as the Investment Payment. If the costs of the Post Office Ltd Funded Equipment and/or the Post Office Ltd Funded Works exceed the amount of the Investment Payment, any such excess shall be the responsibility of the Operator. The Operator shall be solely responsible for the cost of any Operator Funded Equipment and Operator Funded Works.
11. Conversion Payment

Post Office Ltd shall, in addition to the Investment Payment referred to in clause 10 above and subject to Part 3 of the Standard Conditions, pay the Operator a further sum of £10,000 (including VAT) on or about the Commencement Date.
12. The performance of the Operator's obligations under the Agreement must be guaranteed by one guarantor acceptable to Post Office Ltd. The guarantor will usually be a director or shareholder of the Operator.

APPENDIX 1
FIT OUT WORKS

A copy of the Scoping Visit Report is attached.

Post Office Main Branch Format Scoping Visit Report – 103140 THE GRANGE
Appendix A

Post Office Responsibilities	Quantity
Projecting Signs	
medium 600mm illuminated	1
Med Spec Non Illuminated with feature pod	4
Survey	1
Install	1
opening hours in 'visi' frame -standard and retail combi hours	1
Services Panel Vinyl Graphic	1
free cash machine atm entrance signage	1
A4 assistance Option 1	1
A5 assistance graphic	1
Wall Mounted	
A4 assistance Option 1	1
retail combi services	1
Post Office directional	1
Post Office counter foamex	2
queue barrier inserts	1
Do not lean Vinyl	1
Cash Restricted Vinyl	1
Respect vinyl	1
retail combi services strut card	1
POD Panel	2
Pod Panel Leaflet Holders	2
1100mm Combi counter without low level shelf	1
Combi Position Low Level Cupboards	1
FX141 Scales	1
SIDs	1
Brief Case Till Insert - Screenless	1
Screenless Counter Security Equipment	
Flip Top Till	1
Flip Top Till Delivery & Installation by Safetell	1
BiDI Safe Magnum Plus (up to £12K cash holding with drop safe)	1
Fortress Counter Positions	
Single Fortress	1
Single Fortress with Standard Parcel Hatch of 685mm	1
Back of Counter Forms/Leaflets Storage Unit	1
FX141 Scales	1
Speech Enhancement System	1

APPENDIX 2 – EQUIPMENT

Items of equipment that may be required as part of Network Transformation Programme conversion to a Main branch						
Item for installation in Main branch	Who orders and pays for Equipment?		Who is responsible for maintenance of the Equipment?			Items to be returned to Post Office Ltd or its supplier at end of the Agreement
	Post Office Ltd Funded Equipment – Post Office Ltd orders and pays for	Operator Funded Equipment – the Operator orders and pays for with no reimbursement from Post Office Ltd	Post Office Ltd	The Operator	Post Office Ltd's supplier	
Signage (including internal signage, survey and install)	X			X		
Safes (Main safe) including MMG	X		X			X
Electronic Scales	X		X			X
Alarms installed by Romec (monitoring and maintenance will be provided by, or on behalf of, Post Office Ltd during the term of the Agreement only)	X		X			
Bureau de Change Rate Board	X		X			X
Counter Desking/ FSS desking and privacy Screens/conversation area	X			X		
Customer seating/Counter Staff Seating	X			X		
Cash Funding Unit (Rollercash/Bidi etc.)	X		X			X
Horizon	X		X			X
Secure Counters (including anti-bandit screens and parcel hatches)	X			X		
Drop bag Fittings	X			X		X
Post & Go	X		X			X
AEI Kiosk	X		X			X
AEI Consumables (including curtains and Stylis)	X		X			X
Mails Acceptance Unit	X			X		X
Mails Integrity unit/secure mail storage	X			X		X

APPENDIX 3 – Conditions of Appointment

A copy of Conditions of Appointment addendum attached

- 1 The Operator shall comply (and in the case of ongoing obligations) shall continue to comply for the duration of the Agreement at its own expense with the following conditions of appointment and shall ensure that any works/actions that it is required to carry out or perform in order to achieve compliance with the relevant condition of appointment are carried out or performed by the date specified below for the relevant condition.
- 2 The Operator shall not be in breach of the Agreement, nor liable for any failure or delay in complying with any condition of appointment by the date specified above, if the Operator is prevented or delayed from complying with such condition of appointment by a Force Majeure Event, provided that the Operator must:
 - 2.1 promptly notify Post Office Ltd in writing of the nature and extent of the Force Majeure Event together with any additional information as Post Office Ltd may reasonably require; and
 - 2.2 use its best efforts to remove or overcome the effects of such Force Majeure Event.
- 3 Following any notice from the Operator in accordance with paragraph 2.1, the Parties shall discuss the effect of the Force Majeure Event on the relevant condition(s) of appointment, and use all reasonable endeavours to agree any changes to the condition(s) of appointment that may be required as a result, which may include agreeing a revised date for the Operator to achieve compliance with the relevant condition(s) of appointment.
- 4 For the purposes of paragraph 3 above, Force Majeure Event shall mean the occurrence of any:
 - 4.1 Acts of God, fire, explosion, flood, earthquake or other natural disaster;
 - 4.2 war, riot, civil commotion, terrorist attack;
 - 4.3 interruption or failure of utility service, including electric power, gas or water;
 - 4.4 law or government order, rule, regulation or direction, or any action taken by a government or public authority, including failing to grant a necessary licence or consent (provided that the Operator has used its best endeavours to obtain such licence or consent); and
 - 4.5 refusal by the landlord and/or owner of the Branch Premises to grant any necessary permission or consent (provided that the Operator has used its best endeavours to obtain relief from such covenant and/or to obtain such licence or consent),which directly causes the Operator to be unable to comply with the relevant condition of appointment by the date specified, provided that such event does not arise from the negligence of the Operator.
5. ATM The Operator will continue to comply with the existing ATM Agreement in respect of the Branch.

EA48	Operator will ensure that its staff are aware of the ways in which it may be possible to change materials on the spot within the branch so as to be visible or usable by customers with visual impairments, e.g. free use of any photocopier to enlarge documents, free use of magnifying glass etc	Branch Opening Date
EA53	Operator will ensure that all people providing services to customers at the branch will undertake Post Office Ltd - approved training covering: - the obligations on service providers under the Equality Act 2010 - the approach to be taken by those providing Post Office services in order to ensure compliance with legislation and generally to maximise the accessibility of Post Office Services	Branch Opening Date

PART B – SITE SPECIFIC CONDITIONS OF APPOINTMENT

RETAIL STANDARDS CONDITIONS OF APPOINTMENT – SITE SPECIFIC		
	Condition of Appointment	Date for Completion
1	Operator to carry out a deep clean of the interior of the Branch Premises	Branch Opening Date
2	Operator to redecorate the interior of the Branch Premises	Branch Opening Date
3	Operator to repair/replace lighting in the interior of the Branch Premises to a standard of at least 750 lux.	Branch Opening Date
4	Operator to repair/replace the flooring in the interior of the Branch Premises with a floor covering which is specifically designed for use in retail premises.	Branch Opening Date
5	Operator to remedy any health and safety risks identified as being present at the Branch Premises.	Branch Opening Date
6	Operator to clean the windows of the Branch Premises (inside and outside)	Branch Opening Date
7	Operator to repair/renew the ceiling in the Premises	Branch Opening Date

**POST OFFICE LIMITED
DEED OF GUARANTEE AND INDEMNITY**

- A** The parties to this Deed are:
- (1) Mrs Helen Clare Palmer of GRO (Guarantor);
and
- (2) Post Office Limited (company number 2154540) of 148 Old Street, London EC1V 9HQ (Post Office Ltd)
- B** This Deed is entered into in respect of a **Main Post Office Agreement** (as the same may be supplemented, amended or substituted, the Agreement) made between (1) Mr Kevin Leslie Palmer having its registered office at GRO and registered with company number 8140666 (Operator) and (2) Post Office Ltd, on or around the date of this Deed, by which the Operator agreed and undertook to operate a **Main Post Office** from premises situated at 105 London Road, Rayleigh, Essex, SS6 9AX (Outlet).
- C** The Guarantor has agreed to guarantee the due performance of the Agreement by the Operator on the terms of this Deed.

IT IS AGREED AS FOLLOWS:

1 Guarantee and Indemnity

- 1.1 The Guarantor unconditionally and irrevocably (and jointly and severally with any other guarantor of the Operator's obligations to Post Office Ltd) guarantees to Post Office Ltd that it will on demand discharge and perform in full and in accordance with all applicable terms all obligations from time to time owed by the Operator to Post Office Ltd under the Agreement should the Operator fail to do so in accordance with its obligations owed to Post Office Ltd.
- 1.2 The Guarantor also agrees to indemnify Post Office Ltd on demand against:
- 1.2.1 all costs incurred in enforcing this Deed and against any loss or expense which Post Office Ltd may incur arising out of any defective or incomplete performance by the Operator of its obligations to Post Office Ltd; and
- 1.2.2 all losses and liabilities Post Office Ltd may incur if any contractual or other obligations owed (or purportedly owed) by the Operator to Post Office Ltd are disputed, invalid or unenforceable for any reason or if this Deed is not enforceable against the Guarantor as a secondary obligation, the amount of such loss being the amount which Post Office Ltd would otherwise have been entitled to recover from the Operator or the Guarantor.
- 1.3 This Deed is a continuing guarantee and indemnity, which means that it guarantees the payment by the Operator of all amounts, and the discharge of all obligations, owed now or in the future by the Operator to the Post Office Ltd until this Deed is released by Post Office Ltd in writing. It will not be released or discharged by any intermediate payment or discharge made by the Operator or the Guarantor.

2 Protections for Post Office Ltd

- 2.1 The Guarantor agrees that the Guarantor's full liabilities under this Deed will not be determined, reduced, prejudiced, affected or discharged by, without limitation:
- 2.1.1 the terms of the Agreement being changed, supplemented, waived or replaced;
- 2.1.2 Post Office Ltd agreeing any compromise or release with the Operator, any other guarantor or any other person liable jointly and/or severally with the Operator or the Guarantor;
- 2.1.3 the Operator being dissolved, going into liquidation or administration, entering into any voluntary arrangement or any other form of insolvency procedure and/or Post Office Ltd receiving or becoming entitled to receive only part of the total amount owing by the

Date: 8TH MARCH 2013

*In the presence of:

LOUISE SCOTT

Full name of Witness

GRO

Signature of witness

Address of Witness

GRO

Occupation of Witness

SHOP MANAGER

*The witness must be aged over the age of 18 and must not be a member of the Guarantor's family.


2a

P242

TO BE AFFIXED TO THE FRONT OF THE OFFICE SNAP SHOT OR TRADING STATEMENT PRODUCED ON DAY OF TRANSFER

Final Trading statement of Postmaster of:

THE GRANGE 1031406

Deficiency in final trading statement (Amount posted to Late Accounts) Any shortages found on transfer audit which the Postmaster is unable to make good on the day and entered on Horizon via Back Office(F14) Adjustments (F7) Final Account Deficit (42) using Global User password.	£ 205.61	Due to Transfer* /Temporary Closure* / Permanent Closure* *Delete as applicable	
Surplus in final trading statement (amounts over £150 only) (Amount posted to Late Accounts) Any surpluses found on transfer/closure audit which the Postmaster is unable to withdraw entered on Horizon via Back Office (F14) Adjustments (F7) Final Account Surplus (41) using Global User password.	£ -	Temporary closure due to Suspension* /Robbery* / Other Please state for other _____	
Any amounts made good at final trading statement by cash or cheque (attempts to make good should be made for most occasions)	£ -	Branch Code	1031406
Surplus physically withdrawn at final trading statement (up to £150.00 ONLY)	£ -	Date of final trading statement	23 / 11 / 15
Total to agree to FAT	£		
BRANCH TRANSFER – when a transfer takes place outside the allocated trading statement day, Horizon should be rolled into the next balancing period. Please state if a full TRADING STATEMENT is due for this accounting period * YES / NO	Week No	T/P	Datestamp
	35	8	
Actions	Bring any outstanding Transaction Corrections to account prior to completion of this form	YES	

The sum of £ <u>69355.85</u> (being the amount of cash and value stock on hand). Non-value stock items are listed on the Office Snapshot. To be charged in the Trading Statement of <u>23/11/15</u> day of period ended as balance transferred from old account. I acknowledge the transfer of <u>(2)</u> keys for the <u>(1)</u> safes listed on the ARS110		Signature of incoming Postmaster <div style="border: 1px dashed black; padding: 10px; text-align: center; font-size: 2em; font-weight: bold;">GRO</div>	
I acknowledge the transfer of <u>(2)</u> keys for the <u>(1)</u> safes listed on the ARS110		Signature of Outgoing Postmaster <div style="border: 1px dashed black; padding: 10px; text-align: center; font-size: 2em; font-weight: bold;">GRO</div>	
Examined at TP <u>08</u>			
Are there any amounts in suspense Yes/No <u>NO</u>		Detail reason for amounts left in suspense: <u>N/A.</u>	
Witness to the signature of the Incoming Postmaster Signature: <div style="border: 1px dashed black; padding: 5px; text-align: center; font-size: 1.5em; font-weight: bold;">GRO</div> Print Name of Signatory: <u>A ZUBERI</u> Representative of Post Office Ltd		Witness to the signature of the Outgoing Postmaster Signature: <div style="border: 1px dashed black; padding: 5px; text-align: center; font-size: 1.5em; font-weight: bold;">GRO</div> Print Name of Signatory: <u>A ZUBERI.</u> Representative of Post Office Ltd	

Local Schemes

Following discussion with the outgoing Agent, I confirm that all local schemes have been returned to *NSSC/transferred to the incoming Agent (*delete as applicable) and reconciliations completed

Post Office Limited representative signature: _____

Post Office Limited representative name: _____

To be retained for six years following completion
P242 (Revised May 2015)

The Grange
13:44 23/11/2015
Office Snapshot - Office Copy

FAD: 1031406
TP:08

*****Discrepancies in this Account*****
*Discrepancy OVER 61943.76 *
*Discrepancy SHORT 61943.76 *
*Nett discrepancy 0.00 *

VALUE ITEMS & NOP	VOLUME	VALUE
Cash		61937.77
Cash		61937.77
Cheque		0.00
Cheques		0.00
NOP		61937.77
Euro		585.84
US Dollar		527.74
Canada Dollar		4.93
Fgn Currency Sterling Equ		1118.51
BUREAU DE CHANGE		1118.51
Postage stop		6299.57
Other Postage Items		6299.57
POSTAGE		6299.57
TOTAL VALUE ITEMS & NOP		69355.85

RECEIPTS	VOLUME	VALUE
Balance B/Fud		113784.04

Santander PaySer	4	1079.19
GIRO DEPS/TRANSCASH		1079.19
Santander Depst	12	0.00
GIRO NON CASH ITEMS		0.00
Santander TC Fee	4	3.02
GIRO TRANSCASH FEES		3.02
express10	1	46.01
express48	18	296.49
globalpriority	1	108.54
Parcels		451.04
CARRS - PARCELS		451.04
RH Spd Bulk RSF	37	0.00
Int Std Letter	2	3.04
Int Std Letter	11	24.75
Int Std Sml Pcl	9	62.69
Int Std Sml Pcl	12	116.45
Int Trkd Sml Pcl	1	25.00
Int Sign Sml Pcl	1	18.90
Special D by 1	44	325.85
HoneShopReturns	75	0.00
PrePaidRH Stamps	7	15.72
DG Cust HR Don	77	0.00
DG Perf Don Rest	2	0.00
DG LBatDonInRest	2	0.00
DG LBatDonURest	4	0.00
DG LBat Don Proh	1	0.00
1st Class	53	189.95
1st Class	1	3.30
1st Class	58	80.12
2nd Class	378	1058.40
2nd Class	4	19.56
2nd Class	50	61.10
Signed For 1st	38	65.74
Signed For 1st	19	87.90
Signed For 1st	2	23.70
Signed For 1st	35	79.94
Signed For 2nd	6	9.84
Signed For 2nd	141	549.90
Signed For 2nd	2	11.98
Signed For 2nd	11	23.90
BFPO IntStd	2	6.60
Int T+S Letter	1	6.52
Int T+S Letter	1	7.25
Int T+S Sml Pcl	3	36.26
Tracked Returns	4	0.00
Int Std L Letter	5	13.50
Int Std L Letter	1	3.15
Int Std L Letter	9	40.45
Int T+S Lge Let	1	8.60
RH TRANSACTIONS		2948.62
express24 Cont	2	0.00
express48 Cont	3	0.00
express48 Cont	1	0.00
express48 Cons	3	0.00
express10 Cons	1	0.00
globalvalue	1	41.25
express48	18	286.59
express10	1	46.01
globalpriority	1	75.24
Enh cap G priori	1	33.30
Enh capexpress48	3	9.90
PF TRANSACTIONS		492.29
RH Tr Inward	15	0.00

SEE OVER



PRIZE DRAW SEE OVER



PRIZE DRAW SEE OVER



PRIZE DRAW SEE OVER



PRIZE DRAW SEE OVER

The Grange FAD: 1031406
13:44 23/11/2015 TP:08
Office Snapshot - Office Copy

*****Discrepancies in this Account*****
*Discrepancy OVER 61943.76 *
*Discrepancy SHORT 61943.76 *
*Nett discrepancy 0.00 *

VALUE ITEMS & HOP	VOLUME	VALUE
Cash		61937.77
Cash		61937.77
Cheque		0.00
Cheques		0.00
HOP		61937.77
Euro		585.84
US Dollar		527.74
Canada Dollar		4.93
Fcn Currency Sterling Equ		1118.51
BUREAU DE CHANGE		1118.51
Postage stop		6299.57
Other Postage Items		6299.57
POSTAGE		6299.57
TOTAL VALUE ITEMS & HOP		69355.85

RECEIPTS	VOLUME	VALUE
Balance B/Fud		113784.04
Santander PaySer	4	1079.19
GIRO DEPS/TRANSCASH		1079.19
Santander Depst	12	0.00
GIRO NON CASH ITEMS		0.00
Santander TC Fee	4	3.02
GIRO TRANSCASH FEES		3.02
express10	1	46.01
express48	18	296.49
globalpriority	1	108.54
Parcels		451.04
CARRS - PARCELS		451.04
RH Sod Bulk RSF	37	0.00
Int Std Letter	2	3.04
Int Std Letter	11	24.75
Int Std Sol Pcl	9	62.69
Int Std Sol Pcl	12	116.45
Int Trkd Sol Pcl	1	25.00
Int Sign Sol Pcl	1	18.90
Special D by 1	44	325.85
HomeShopReturns	75	0.00
PrePaidRH Stamps	7	15.72
DG Cust NR Don	77	0.00
DG Perf Don Rest	2	0.00
DG LBatDonInRest	2	0.00
DG LBat DonVRest	4	0.00
DG LBat Don Proh	1	0.00
1st Class	53	189.95
1st Class	1	3.30
1st Class	58	80.12
2nd Class	378	1058.40
2nd Class	4	19.56
2nd Class	50	61.10
Signed For 1st	38	65.74
Signed For 1st	19	87.90
Signed For 1st	2	23.70
Signed For 1st	35	79.94
Signed For 2nd	6	9.84
Signed For 2nd	141	549.90
Signed For 2nd	2	11.98
Signed For 2nd	11	23.90
BFPD IntStd	2	6.60
Int I+S Letter	1	6.52
Int I+S Letter	1	7.25
Int I+S Sol Pcl	3	36.26
Tracked Returns	4	0.00
Int Std L Letter	5	13.50
Int Std L Letter	1	3.15
Int Std L Letter	9	40.45
Int I+S Lge Let	1	8.60
RH TRANSACTIONS		2948.62
express24 Cont	2	0.00
express48 Cont	3	0.00
express48 Cont	1	0.00
express48 Cons	3	0.00
express10 Cons	1	0.00
globalvalue	1	41.25
express48	18	286.59
express10	1	46.01
globalpriority	1	75.24
Enh cnp G priori	1	33.30
Enh cnpexpress48	3	9.90
PF TRANSACTIONS		492.29
RH IC Toward	15	0.00

OVER



PRIZE DRAW SUMS OVER



PRIZE DRAW SUMS OVER



PRIZE DRAW SUMS OVER



PR

Labara £10 eVchr	1	10.00
Talk £10 eVchr	1	10.00
Lyca £20 eVchr	1	20.00
EE E-voucher £10	6	60.00
E Top Up Sales		355.00
E TOP UPS		355.00
PO Fee	4	21.89
POSTAL ORDER FEE		21.89
BT pynt card	2	15.00
Rcvd with thanks	-1	7.51
Avon Cosmetics	3	382.79
Littlewoods	2	42.40
British Gas	10	1322.52
allpay.net	32	3298.91
Co-op Bank	1	30.00
BG Pay Plan	3	119.00
BG Electric	2	28.00
HomePhone	2	40.00
Chelmsford Payt	1	35.00
PO credit card	4	297.96
Books to Suipe	1	50.00
BG Standard Gas	1	360.00
allpay.net	1	20.00
Santander Depst	10	3621.36
Northern Budget	1	25.00
Santander Change	3	2211.00
Payout BC Full	12-	272.00-
Brit Gas Reg pay	7	128.00
EON Energy	11	1074.44
ApexCreditManage	2	72.00
F.H.A (Sales)	2	250.00
Instant Saver	1	1000.00
Brit Gas Reg pay	1	40.00
BudgetPlus TopUp	1	10.00
Paystation TA	25	4775.00
Revard Saver	1	100.00
CoP Inland	99	0.00
Buy Notes	5	0.00
Allpay Ltd	1	270.00
Spoilt Labels	2	0.00
Curr A/c ChqDep	2	75.00
ATM Balance Stot	1	0.00
HLQuickPick1LHG	1	1.00
HL Quick Pick	16	42.00
HL PlaywithCard	22	76.00
HLwinningEnquiry	12-	21.00-
BGSnart ElecVend	1	20.00
Collect Order	1	0.00
PF Discount	2	0.00
PF Returns	3	0.00
HGran RepeatSend	6	0.00
DG Screen Intl	33	0.00
DG Screen Don	663	0.00
AP Others		19546.89
BC MOT/NeuVhicle	1	225.00
U5C No COFTC	2	79.75
V11/V5C Licensng Transactions		304.75
U62 No Foras HVL	1	99.00
VRH Licensng Transactions		99.00
PO Sale	4	175.00
Postal Order Sales		175.00
HGran Amend	1	0.00
HGran Send Clsic	3	554.67
MoneyGran Services		554.67
AUTOMATED PAYMENTS		20680.31
Post Label A	55	338.41
Post Label SD	43	317.97
Post Label PS	1	41.25
Post Label AX	1	25.00
Post Label 1L	37	63.38
Post Label 1LL	93	159.11
Post Label 2L	6	9.21
Post Label 2LL	61	85.00
Post Label 1SP	73	281.15
Post Label 1HP	2	23.70
Post Label 2SP	518	1604.40
Post Label 2HP	6	31.54
Post Label BSP	2	6.60
Postage Label Prints		2986.72
RejPostLabel A	2	20.42
RejPostLabel 1L	2	3.46
RejPostLabel 2L	1	1.64
RejPostLabel 2SP	1	2.80
RejPostLabel 2HP	1	4.89
Postage Label Rejects		33.21
POSTAGE LABEL		3019.93
The Great War PP	2-	13.60-
FirstWorldWar PP	0	0.00
Star Wars PP	5	61.75
Presentation Packs		48.15
PHILATELIC		48.15
1st class stnp	158	99.54
1st class Large	80	76.00
First Class Stamps		175.54
2nd class stnp	383	206.82
2nd class Large	74	54.76
Second Class Stamps		261.58
50 x 2nd Large	2	74.00
Second Class S/A Staps		74.00
S/a 1stx100	1	63.00
First Class S/A Staps		63.00
Special 1st	0	0.00
Special 81p	2	1.62
Special 88p	29	25.52
Special £1.00	0	0.00
Special £1.28	12	15.36
Special £1.47	2	2.94
Special £2.15	9	19.35
Special £1.50	8	8.00










DEBIT CARD ONLINE PAYMENTS		5519.79
Visa Credit	17	404.64
Mastercard	29	351.56
CREDIT CARD ONLINE PAYMENTS		756.20
RH Stamp Balance	80	3.15
RH Label Balance	904	2978.68
RH SUMMARY		2981.83
PF Label Balance	1	41.25
PF Retail Balance	24	451.04
PF SUMMARY		492.29
Ren Out Data Cen		651.48
Ren Out Auto Dist		8007.11
Remittance Out Detail		6658.59
Discrepancy SHORT Transferred		0.00
Discrepancy OVER Resolved		0.00
Total VALUE ITEMS & HOP		69355.85
Nett discrepancies		0.00
TOTAL PAYMENTS		277723.54
Transfers In		141612.09
Transfers Out		141612.09
Balance C/Fud		69355.85

STOCK VOLUMES	VOLUME
USA Tchq	350
Seaside Arch HSh	9
Soilers2015 Hini	10
Penny Black Hini	10
Waterloo HSh	9
BattleOfBrit HSh	9
Bees 2015 HSh	9
Long to ReignHSh	2
Christmas15 Hini	4
Star Wars HiniSh	2
Glasgow 2014 PP	9
The Great War PP	7
Seaside ArchitPP	8
PrinellinistersPP	9
Alice in Lond PP	7
Soilers 2015 PP	9
Invent Brit PP	8
Bridges Pres Pck	6
Comedy Greats PP	7
Penny Black PP	4
Hagna Carta PP	4
Waterloo PP	8
Battle OfBrit PP	8
Bees 2015 PP	5
Long to Reign PP	6
Rugby WorldCupPP	7
Christmas 15 PP	5
Star Wars PP	2
1st class stop	7
1st class Large	561
RHSF 1st Class	1298
RHSF 1st Large	200
2nd class stop	150
2nd class Large	4837
SD up to 100 gns	1913
SD 101-500 gns	123
S/a 2ndx100	50
50 x 2nd Large	48
S/a 1stx100	4
Special 81p	91
Special 88p	107
Special £1.28	5
Special £1.47	123
SAS bk 1st x 12	173
SAS bk 2nd x 12	242
SAS bk 1st x 6	661
Christmas 1stBk	346
Christmas 2ndBk	1500
1st Large x 4	1487
2nd Large x 4	75
New POTEleCrd £5	71
NewPOTEleCrd £10	23
NewPOTEleCrd £20	5
New Camelot Chq	8
New Postal Order	9
Instants £1	85
Instants £2	325
Instants £5	197
Instants £3	83
Instants £10	65
	10

*** END OF REPORT ***

PRIZE DRAW SURVEY OVER



PRIZE DRAW SURVEY OVER



PRIZE DRAW SURVEY OVER



PRIZE DRAW

DEBIT CARD ONLINE PAYMENTS		
Visa Credit	17	5519.79
Mastercard	29	404.64
CREDIT CARD ONLINE PAYMENTS		
RH Stapp Balance	80	351.56
RH Label Balance	904	756.20
PF Label Balance	1	3.15
PF Retail Balance	24	2978.68
PF SUHHARY		2981.83
Ren Out Data Cen		41.25
Ren Out Auto Dist		451.04
Redittance Out Detail		492.29
Discrepancy SHORT Transferred		0.00
Discrepancy OVER Resolved		0.00
Total VALUE ITEMS & HOP		69355.85
Nett discrepancies		0.00
TOTAL PAYMENTS		277723.54
Transfers In		141612.09
Transfers Out		141612.09
Balance C/Fwd		69355.85

STOCK VOLUMES	VOLUME
USA Tchq	350
Seaside Arch HSh	9
Soilers2015 Mini	10
Penny Black Mini	10
Waterloo HSh	9
BattleOfBrit HSh	9
Bees 2015 HSh	9
Long to ReignHSh	2
Christmas15 Mini	4
Star Wars MiniSh	2
Glasgow 2014 PP	9
The Great War PP	7
Seaside ArchitPP	8
PrinellinistersPP	9
Alice in Wond.PP	7
Soilers 2015 PP	9
Invent Brit PP	8
Bridges Pres Pck	7
Comedy Greats PP	4
Penny Black PP	8
Hagna Caria PP	8
Waterloo PP	8
Battle OfBrit PP	5
Bees 2015 PP	6
Long to Reign PP	7
Rugby WorldCupPP	5
Christmas 15 PP	2
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1st class stop	561
1st class Large	1298
RHSF 1st Class	200
RHSF 1st Large	150
2nd class stop	4837
2nd class Large	1913
SD up to 100 gms	123
SD 101-500 gms	50
S/a 2ndx100	48
50 x 2nd Large	4
S/a 1stx100	91
Special 81p	107
Special 88p	5
Special £1.28	123
Special £1.47	173
SAS bk 1st x 12	242
SAS bk 2nd x 12	242
SAS bk 1st x 6	661
Christmas 1stBk	346
Christmas 2ndBk	1500
1st Large x 4	1487
2nd Large x 4	75
New POTEleCrd £5	71
NewPOTEleCrd £10	23
NewPOTEleCrd £20	5
New Cane1st Chq	8
New Postal Order	9
Instants £1	85
Instants £2	325
Instants £5	197
Instants £3	83
Instants £10	65
	10

*** END OF REPORT ***

PRIZE DRAW SEVER



PRIZE DRAW SEVER



PRIZE DRAW SEVER



PRIZE DRAW

* u e a

Jackie Grace

From: Brenda Howcutt
Sent: 22 November 2015 16:18
To: Austin C Amadi; Carol Ballan; Craig Tuthill; Dawn Wall; Drew McBride; Fraud Analysis Team; Contract Admin Team; Post Office Security; Lin Norbury
Cc: Warren Hattrell; Julia Marwood
Subject: Event Capture Form - 103140 - The Grange - 2015-11-20

An event capture form has been logged, please find the details below.

Financial Audit Tool > Event Capture Form



This form must be completed within 48 hours of the audit taking place.

If the loss is above £1000 then this should be completed.

The Event Capture form will be sent to the RSM/RGM, ASM/CSCSM and Contracts Advisor, plus any email addresses you paste or type in below (separate with a ;)

; ; ;
; ;

Field Team Leader

Regional Manager

Area Manager

RSM/RGM

ASM/CSCSM

Regional Contracts Advisor

Contracts Advisor

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lin.norbury@ **GRO** carol.ballan@ **GRO**

Time of incident: 09:55 Date of Audit: 20/11/2015
Branch Code: 103140 Branch Address: 105 London Road
Branch Name: The Grange
SPMR/Operator: First Class News Ltd
Phone: **GRO** Rayleigh
National Multiple: Essex
Contracts Advisor: carol.ballan@ **GRO** Postcode: SS6 9AX
Key Contacts: Area Security Manager: Darrell Kennedy - Phone: **GRO** Security Manager: Ashlie
Person dealing with this if the CA is not available: Carol Ballan/Paul Southin

Audit Lead: Brenda Howcutt
FTM revealing finding: Brenda Howcutt
ECF Completed by: Brenda Howcutt
FTMs assisting: Brenda Howcutt; Claudette Beaney
Other Attendees:
Audit Type code: 350 - Escalation Following a Cash Check
Discrepancy: -£61,858.40
Shortage or surplus: shortage

How the audit discrepancy was discovered and all relevant findings

I (Brenda Howcutt) arrived at this branch at approx 08:15 on Friday 20/11/15, to complete a Cash Check, there was just one assistant behind the combi counter, who told me that Kevin Palmer (smpm) was having a day off and that she would phone him to let him know that I was there. The office has 4 stock units (AA, ATM, OOH, SP1). The full time assistant Louise arrived just after 9 O'clock she told me that Kevin was on his way, so she served out of the Combi until he arrived, which was approx 09:45, at which time he told both his 2 assistants that they can go home and that he was closing the shop and Post Office, he then told me that the cash would be short, I asked how much and he replied about 60,000. I contacted Warren Hattrell (my team leader) Carol Ballan (CA) I also spoke to Rhys Jones (security - who requested the visit due to concerns regarding cash at risk) he gave me the number for Joe Watson (security) who I then phoned. I then went into the Fortress to start checking cash and stock. Claudette arrived to help me at 11:00, we then checked all cash and stock our final discrepancy being £61858.40 which was finally posted to Late Account (Mr Palmers Father in Law had initially said that he would write a cheque to settle the shortage but changed his mind at the last minute saying that he would pay half, then he decided that he wouldn't be paying any because that would be an admission of guilt on behalf of his son in law).

Core/Outreach Links (where applicable)

<i>Branch Code</i>	<i>Branch Name</i>	<i>Core/Outreach</i>	<i>Result</i>	<i>Made Good (£)</i>
<input type="text"/>	<input type="text"/>	Select...	<i>Discrepancy (£)</i>	

Location of assets: locked in PO SAFE
Suspended? Yes
Other action if not suspended

If SPM was unavailable were Casework contacted, and who were the findings relayed to:

If suspended who did they transfer the branch to? If a family member please state relationship: to be transferred on Monday 23/11/15 to temp MARY STEWART

£0.00

was made good by cheque and a 'without prejudice' receipt issued at the time of the audit.

£0.00

was made good by cash and a 'without prejudice' receipt issued at the time of the audit.

£61,858.40

has been sent to 'Late Account' Financial Service Centre and is to be settled in accordance with terms agreed with your Contracts Advisor.

£0.00

was withdrawn at the time of the audit.

£0.00

will be settled centrally as per standard procedure.

Date/Time sent (auto populated upon sending): 22/11/2015 00:00:00

Jackie Grace

From: Brenda Howcutt
Sent: 22 November 2015 16:20
To: Austin C Amadi; Carol Ballan; Post Office Security; Michelle Stevens; Contract Admin Team; Branch Support Team
Cc: Warren Hattrell; Alexander Todd
Subject: Extra Audit Report - 103140 - The Grange - 2015-11-20
Categories: Audit

You have been sent an Extra Audit report.

Financial Audit Tool > Extra Report



post.office.security@GRO; michelle.stevens@GRO; contract.admin.team@GRO; branc
h.support.team@GRO

Branch Code	103140	Branch Name	The Grange
Field Team Leader	warren.hattrell@GRO	Regional Manager	julia.marwood@GRO
RSM/RGM		ASM/CSCSM	austin.c.amadi@GRO
Regional Contracts Advisor	lin.norbury@GRO	Contracts Advisor	carol.ballan@GRO

Audit Lead: Brenda Howcutt

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All Auditors:

Brenda Howcutt; Claudette Beaney

Other Attendees:

An audit of the above branch, led by myself, was undertaken on 2015-11-20. The purpose of this audit was to provide assurance of financial assets due to the Post Office® and confirm compliance with a range of Business processes, procedures and regulatory requirements. During the audit, where appropriate, all cash, cheques, vouchers, Euros, Dollars and suspense entries were verified and a check of a selection of stock items and other currencies was performed. The audit revealed a shortage in the branch of £-61858.40. A breakdown of the audit result and details of the audit findings are as follows:

	Office Snapshot	Verified at Audit	Assurance Amount	Cash Difference
Cash on hand	£132,793.52	£61,361.38	£0.00	£-61,742.14
ATM Dispensed			£9,690.00	
Other MOP (incl. cheques)	£337.91	£337.91	£0.00	£0.00
Suspended Session		£0.00		£0.00
ForEx (Sterling Equivalent)	£1,119.17	£1,119.17		£0.00
Postage 1p-£1	£6,339.25	£6,299.57		£-39.68
Suspense	£0.00	£0.00	£0.00	£0.00
Spoilt Postage Labels	£5.6	£5.60		£0.00
Santander Cheque Pouches on hand		0		
Stock discrepancies				£-344.64
Subtotal	£140,589.85	£69,118.03	£0.00	£-62,126.46

Today's findings	£-62,126.46
Outstanding debt	£0.00
TCs not processed	
TAs not processed / rec'd	
Net discrepancy from snapshot	£-109.54
Late Transactions	£377.60
Confirmed Pending TC	
Transaction errors revealed	

Currency Revaluation

Total	-£61,858.40
Current Trading Position	-£61,858.40

We arrived at the branch at 08:15 and introduced ourselves to a staff member, not known, when they arrived at approximately 05:30 and advised that we were there to perform an audit on behalf of Post Office Ltd. I contacted the Network Business Support Centre (NBSC) at approximately 10:50 and advised that an audit would be performed at the branch, and that it would remain closed until its conclusion. The nominated branches offered were: High St, Rayleigh, Hambro.. A notice was placed on display at the branch detailing this information. I also asked the NBSC to notify the Outlet Intervention Office that an audit was being performed and that the branch would remain closed until its conclusion. allowed us access to the secure area and was not present in the secure area whilst the audit was carried out. Brenda Howcutt was then advised that they should satisfy themselves that the figures of the audit team were correct. Therefore we asked Brenda Howcutt if they would do their own independent count of all the cash on hand again, which they did. Brenda Howcutt then confirmed that the figures of the audit team were correct.

I then telephoned yourself at 10:00 to report a preliminary suspected shortage of approximately £60000 and that I would ring you back with the final figure once I had completed the audit. This I did at 16:41 to report an overall shortage in the branch of £-61858.39999999999.

£0.00	was made good (no 'without prejudice' receipt needed to be issued)
£0.00	was made good by cheque and a 'without prejudice' receipt issued at the time of the audit.
£0.00	was made good by cash and a 'without prejudice' receipt issued at the time of the audit.
£61,858.40	has been sent to 'Late Account' Finance Service Centre and is to be settled in accordance with terms agreed with your Contracts Advisor.
£0.00	was withdrawn at the time of the audit.
£0.00	will be settled centrally as per standard procedure.

I phoned my team leader Warren Hattrell to inform him that my 'cash Check' was going to be a Tier 2 audit and that I would appreciate some assistance, I told him that Claudette Beaney lived a short distance away and was on a TB day, he said he would phone her and get back to me. At 10:03 I called Carol Ballan (CA) and explained the situation I informed her that I arrived to complete a cash check, but that Kevin Palmer spmr had arrived and told me that the office was going to be approx 60k short and that his father in law was going to make it good by cheque today, she told me that he would obviously be suspended and then called in for an interview, she then told me that she would be in interviews throughout the day and could I speak to Paul Southin while she was unavailable. At 10:06 I phoned Rhys Jones who originally raised the request for a cash check, he gave me the Security Managers details Joel Watson who I phoned at 10:10 to inform of the situation at this office (The Grange) and that Kevin Palmers father in law would be settling the shortage by cheque, he confirmed that if that was going to happen then he would not be calling the police because it can be dealt with within The Post Office.

The decision had already been taken to precautionary suspend Kevin Palmer at 10:00 and that the branch would be transferred to . The assets were secured in the safe until a relief could be found and the keys taken by Brenda Howcutt, along with the alarm code that had been changed.

The audit and subsequent transfer of the branch was concluded at 18:00. The branch was rolled into TP 08 BP 02 and a Final Account produced. The NBSC were advised that the branch would be re-opening on 2015-11-23.

If you require any additional information, please contact me on **GRO**

5a



Account Statement

Branch:

IRRELEVANT

Account Number:

IRRELEVANT

First Class News Ltd
105 London Road
Rayleigh
SS6 9AX

Enquiries To:

Finance Service Centre
No. 1 Future Walk
Chesterfield

S49 1PF

Teleph

Email:

GRO

Date: 20.07.2016

Customer Name First Class News Ltd **Statement of Account From** 01.10.2015 **To** 20.07.2016

Document Number	Transaction Detail	Document Date	Amount (£)
	Balance b/fwd	30.09.2015	0.00
1800079655	Internal Document	29.10.2015	20.00
1800061369	Final Account	20.11.2015	61,858.40
1800061478	Final Account	23.11.2015	205.61
	Balance at	20.07.2016	£62,084.01

6a

FORMER SUBPOSTMASTERS STATEMENT OF DISCREPANCY

BRANCH NAME		The Grange	
BRANCH CODE		103140	
CUSTOMER ACCOUNT NUMBER		GRO	
PRODUCT		Bank of Ireland ATM	
DATE OF DISCREPANCY		29.10.2015	
AMOUNT Debit		£20.00	
Horizon entry	£ 0	Client Data	£20

DETAILS OF ERROR:

The Bank of Ireland ATM weekly balance for 03.11.2015 showed £20 retracted cash resulting in a surplus. £20 was shown as a surplus on this balance sheet but was never declared on Horizon via the Bank of Ireland Atm surplus cash button.

A customer enquiry regarding this retract was received by the Bank and a refund has now been made to the customer. (See attached reports)

GL		Credit	627077
-----------	--	---------------	--------

DUTY HOLDERS NAME	Andy Pearson
SECOND VALIDATION NAME	
TEAM NAME	ATM, Travel & Personal Banking Team

For use by Former Agent Accounting

DATE KEYED TO POLSAP	
KEYED BY	
CASE OWNER	

Date passed to Settlement Team for processing	
Settlement Team processor	
Date returned to Former Agents	

Copy of Postmasters weekly ATM balance sheet

FAD Code	Name	ATM ID	Business Date	Rebalancing Date	Retracted Cash	#1 Bank Total B.S.L.	ATM Shortage	ATM Surplus	#2 ATM Totals "1"	Time	Comments
103140	The Grange	90971858	29/09/2015	29/09/2015	150	61,220		150	61,220		Not shown on Horizon
103140	The Grange	90971858	03/11/2015	03/11/2015	20	67,950		20	67,950	05:12:40	Not shown on Horizon

Copy of BOI Refunds file

BOI ID	Date of Txn	Time of Txn	Txn Amount	Amount Refunded	Device ID	Journal Error Type	BOI REF	BOI FILE
PROV3-121348	25/09/2015	18:18:00	150	150	90971858	Cash Retracted	4070	05/10-09/10
PROV3-126978	29/10/2015	16:32:00	20	20	90971858	Cash Retracted	9708	9/11 - 15/11

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Post Office Ltd
Upper Floors, the Markets branch
6-16 New York Street
LEEDS
LS2 7DZ

GRO

Strictly private and confidential

Mr K Palmer
First Class News Ltd
The Grange Post Office Main branch
105 London Road
Rayleigh
Essex
SS6 9AX

Our ref:

24 November 2015

Dear Mr Palmer

**The Grange Post Office® branch at 105 London Road, Rayleigh Essex SS6 9AX
Notice of Suspension of Operator
On Site, Post Office Ltd Main Post Office® Agreement between Post Office Ltd
and First Class News Ltd (the Operator) dated 19 September 2013 (Agreement)**

I confirm that First Class News Ltd, the Operator, has been suspended from operating The Grange Post Office® branch with effect from 20 November 2015. This suspension is in accordance with Part 2, section 15.1 of the Agreement. It does not mean that the Agreement has been terminated. However, Post Office Ltd reserves its rights in full.

I will contact you further shortly to confirm the consequences of the suspension and to confirm what will happen next.

If you have any queries, please contact me.

Yours sincerely

GRO

**Carol Ballan (Mrs)
Agents Contract Manager
Post Office Limited**

86

Post Office Ltd
Upper Floors, The Markets branch
6-16 New York Street
LEEDS
LS2 7DZ
T: [] GRO

Strictly private and confidential

BY SIGNED FOR

Mr K Palmer
First Class News Ltd
The Grange Post Office® Main branch
105 London Road
Rayleigh
Essex
SS6 9AX

25 November 2015

Dear Mr Palmer

**The Grange Post Office® branch at 105 London Road, Rayleigh Essex SS6 9AX
Consequences of suspension of Operator
On Site, Post Office Ltd Main Post Office® Agreement between Post Office Ltd and First
Class News Ltd (the Operator) dated 19 September 2013 (Agreement)**

I refer to my letter dated 24 November 2015 confirming that the Operator, First Class News Ltd, had been suspended from operating The Grange Post Office® branch (**Branch**). I am now writing to set out further details regarding this suspension.

Appointment of temporary substitute

In line with the obligations placed on you under clause 15.2 of Part 2 of the Agreement, I confirm that Post Office Ltd has appointed a temporary substitute to operate the Branch from the Branch Premises during the period of suspension. The details of the temporary substitute are set out below:

Contact name: Mary Cameron Stewart
Contact details: [] GRO

I take this opportunity to remind you of the Operator's obligation under clause 15.3 of Part 2 of the Agreement to " at its own cost and expense promptly take all steps to enable Post Office Ltd to appoint temporary substitutes as quickly as possible and to enable the temporary substitutes and their staff to operate the Branch (including by allowing the temporary substitutes and their staff access to the Branch Premises and the use of the facilities and equipment at the Branch Premises for the purpose of operating the Branch) during the period of suspension".

Suspension of Payments

In accordance with clause 15.2, Part 2, Post Office Limited has decided to suspend payment of all sums due to the Operator under the Agreement.

Post Office Ltd
Upper Floors, The Markets branch
6-16 New York Street
LEEDS
LS2 7DZ

T **GRO**

Next steps

I will be in contact with you further once my investigations are complete.

Yours sincerely

GRO

Agents Contract Manager
Post Office Limited

8c

Post Office Ltd
Upper Floors, the Markets branch
6-16 New York Street
LEEDS
LS2 7DZ
T **GRO**

Strictly private and confidential

BY SPECIAL DELIVERY

Mr K Palmer
Postmaster
First Class News Ltd
Post Office@ The Grange Mains branch
105 London Road
Rayleigh
Essex
SS6 9AX

4 December 2015

Dear Mr Palmer

Re: Your Main Agreement for The Grange Post Office@ branch (Agreement)

I am writing with regards the recent audit at your Post Office@ The Grange Mains branch when a loss was discovered which resulted in you being precautionary suspended.

I have been informed that indicated to Jim Nott , NFSP , that you believe this loss to be a Horizon issue . In order for me to complete some initial investigations please can you complete the enclosed questionnaire and return it to me by 17 December 2015 in the enclosed envelope.

Please can you include any call reference numbers to the Helpline, dates, and copies of any documents you feel that are relevant to this case .

All Post Office Limited's rights and remedies under the Agreement/Contract are hereby reserved.

Yours sincerely

GRO

Carol Ballan
Agents Contract Manager
Post Office Limited



Case
Questionnaire

For internal use only

Case ref:

Your Details

Surname:

Forenames:

Your address:

Postcode:

Telephone number 1:

Email:

Telephone number 2:

Your Branch

Name of branch:

FAD Code of branch:

Address of branch:

Postcode:

Your role at the branch (ie. Subpostmaster, Subpostmistress, clerk, etc.):

When did you begin in this role?

Are you still in this role? YES/NO

If no, when did you leave this role:

Key Questions

The following Key Questions will help with investigating your case and keep consistent Post Office processes and records.

Q1. What is the main issue or issues you wish us to consider?

Q2. When did the incidents relating to the main issue or issues occur?

Q3. Have you had any prior contact with the Post Office in regard to the issue or issues you are now reporting? If so, then please provide detail, dates, etc.

Q4. What assistance if any was provided?

Q5. How was the issue or issues resolved at the time they occurred?

Q6. What is the monetary value of the issue or issues you are now reporting?

Q7. What is your explanation for the events forming the main issue or issues you are now reporting?

Q8. Were you (or are you currently) the subject of either civil recovery action or criminal prosecution regarding the main issue or issues you are now reporting?

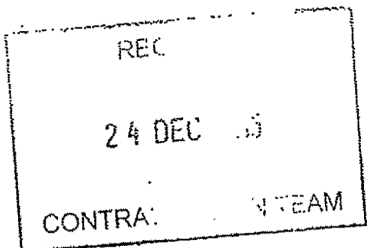
Additional information you think relevant:

8d



Post Office Ltd
Upper Floors, the Markets branch
6-16 New York Street
LEEDS
LS2 7DZ

T GRO



REPLY SLIP

Strictly private and confidential

Mr K Palmer
First Class News Ltd
The Grange Post Office Main branch
105 London Road
Rayleigh
Essex
SS6 9AX

18 December r 2015

Dear Mr Palmer

**The Grange Post Office® branch at 105 London Road, Rayleigh Essex SS6 9AX
Notice of Suspension of Operator**

**On Site, Post Office Ltd Main Post Office® Agreement between Post Office Ltd
and First Class News Ltd (the Operator) dated 19 September 2013 (Agreement)**

Invitation to attend informal discussion

As you are aware from my letter dated 24 November 2015, Post Office Limited has been investigating the losses discovered during the recent audit .

As a result, Post Office Ltd would like to discuss these matters with you at an informal meeting at 13.00 on Monday 11 January 2016 in POL, Finsbury Dials, 20 Finsbury Street London EC2Y 9AQ

This informal meeting will provide an opportunity for us to discuss these matters and in particular will give you the opportunity to comment on the above matters if you so choose. Post Office Limited will take the contents of the discussion into account in making any decision as to what will happen next, and this may include immediate termination or other contractual action depending on the circumstances.

Please can you confirm that you will attend this meeting by signing the enclosed duplicate of this letter and return it to me, at the address on this letter, by no later than 5 January 2016

Should you choose to attend you may be accompanied by a friend, who must be a Post Office Ltd employee, a registered Sub Office Assistant or a Sub postmaster, who may also be a representative of the National Federation of Subpostmasters.

Post Office Ltd
Upper Floors, the Markets branch
6-16 New York Street
LEEDS
LS2 7DZ
T GRO

If there are any specific arrangements that either yourself or your friend will require with regard to the interview please provide details on the enclosed reply slip.

If you are unable to attend the meeting, please contact me as soon as possible so that we can discuss alternative dates or arrangements for the informal meeting to take place.

The opportunity to attend a meeting or to provide written comments does not affect Post Office Ltd's rights and remedies under the Agreement or otherwise and all such rights are reserved.

Yours sincerely

GRO

Carol Ballan
Agents Contract Manager
Post Office Limited

Mr Palmer First Class News Ltd - Postmaster The Grange Post Office® Main branch (104 140)

103 140

Please complete and delete as appropriate:

~~*I acknowledge receipt of the invitation to attend an informal meeting and confirm that..... (Name) is able to attend.~~

And will be accompanied by

JIM KNOTT..... (Print Name)

*I acknowledge receipt of the invitation to attend an informal meeting, I am unable to make the date suggested and have provided a further date for consideration

Date: WEDNESDAY 23RD JANUARY 2016

~~*I acknowledge receipt of the invitation to attend an informal meeting but do not wish to take the opportunity to attend or to arrange an alternative date or arrangements for the meeting.~~

8e

Post Office Ltd
Upper Floors, the Markets branch
6-16 New York Street
LEEDS
LS2 7DZ

T GRO

Strictly private and confidential

Mr K Palmer
First Class News Ltd
The Grange Post Office Main branch
105 London Road
Rayleigh
Essex
SS6 9AX

24 February 2016

Dear Mr Palmer

**The Grange Post Office® branch at 105 London Road, Rayleigh Essex SS6 9AX
(the Branch)
Notice of potential termination of On Site, Post Office Ltd Main Post Office®
Agreement between Post Office Ltd and First Class News Ltd (the Operator)
dated 19 September 2013 (Agreement)**

As you are aware from my letter dated 24 November 2015 and our informal meeting on 3 February 2016, Post Office Limited has been considering its position in relation to a loss of £61,858.40 that was identified during an audit on 20 November 2015 (the **Loss**).

This letter gives you your final opportunity to explain your position with respect to the Loss.

Breaches of Agreement

You initially advised the auditors that the loss at the Branch would be around £60,000 short. The Loss of £61,858.40 was then discovered. We have requested you to provide us with information as to how the Loss arose, and you have declined that reasonable request. Your refusal to provide us with information on how the Loss arose and/or how you were able to provide such an accurate prediction of the Loss are breaches of the Agreement.

Your refusal to provide information engages, inter alia, the following provisions of the Agreement;

Clause 3.6.1 of Part 2 of the Conditions incorporated into the Agreement requires you to "record such data and information relating to the Branch as Post Office Ltd may require".

Clause 3.6.2 of the Conditions require you to "at the request of Post Office Ltd, promptly provide either Post Office Ltd or any third party with such information and data as Post Office Ltd may reasonably require".

Liability for the Loss

You have, to date, refused to provide us with any information as to how the Loss might have arisen. Without this, Post Office can only assume that you are responsible for the full Loss. On this basis, should you fail to make good the Loss to Post Office cash and stock, you will be in breach of the Agreement in accordance with clause 4.1 of the Conditions.

Clause 4.1 of the Conditions, regarding liability for Post Office Cash and Stock, states that;

"The Operator shall be fully liable for any loss of or damage to, any Post Office Cash and Stock (however this occurs and whether it occurs as a result of any negligence by the Operator, its Personnel or otherwise, or as a result of any breach of the Agreement by the Operator) except for losses arising from the criminal act of a third party (other than Personnel) which the Operator could not have prevented or mitigated by following Post Office Ltd's security procedures or by taking reasonable care. Any deficiencies in stocks of Products and/or any resulting shortfall in the money payable to Post Office Ltd must be made good by the Operator without delay so that, in the case of any shortfall, Post Office Ltd is paid the full amount when due in accordance with the Manual."

Grounds for termination

Post Office's rights of termination are set out in the clause 16 of the Conditions and include in particular that Post Office may terminate the Agreement immediately if you:

- a) "commit[s] any material breach of the provisions of the Agreement" (clause 16.2.1)
- b) "fail[s] to properly account for any money due to, or stock of, Post Office Ltd" (clause 16.2.15)
- c) "fail[s] to pay any sum due to Post Office Ltd under the Agreement" (clause 16.2.16)

As a consequence of the matters set out above, and absent the information requested set out below, in accordance with these grounds, Post Office Limited is entitled to terminate the Agreement with immediate effect.

Proposed alternative to termination

To date you have declined to offer any information as to how the Loss arose or any reason why Post Office should not pursue you for the Loss.

By this letter, you are given two weeks to engage with us and provide full details on;

- a) How and why the Loss arose;
- b) On what date the Loss arose; and
- c) Whether there are any mitigating circumstances that would suggest you are not responsible for the Loss.

If you do not provide this information within two weeks of the date of this letter, you will leave Post Office Limited with no alternative but to terminate the Agreement with immediate effect so that (amongst other things) First Class News Ltd and its officers will no longer be permitted to operate the Branch.

For the avoidance of doubt, the contents of this letter do not constitute a waiver of Post Office's right to terminate the Agreement and we reserve all other rights in relation to this matter, whether under the Contract or otherwise.

Yours sincerely

GRO

**Carol Ballan
Agents Contract Manager
Post Office Limited**

8€

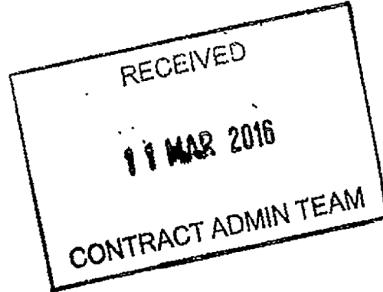
Rec:

The Grange. 103140

FIRST CLASS NEWS LTD
105 London Road, Rayleigh, Essex, SS6 9AX
Telephone: **GRO**

Strictly Private and confidential

Carol Ballan
Post Office Limited
Upper Floors, the Markets branch
6-16 New York Street
Leeds
LS2 7DZ



7th March 2016

Dear Ms Ballan

Further to your letter dated 24th February 2016, regarding the termination of agreement between Post Office and First Class News Ltd.

As stated, I attended the informal interview at my own discretion whereby I pointed out that my written statement had already been submitted the previous week. We were informed at that previous interview, that you would have been made aware of this statement and your interview would not have fallen into these lines of questioning. Alas it did.

With regards to your letter and the termination of my contract, I wish you to accept this letter as written confirmation for my formal resignation from Post Office Ltd with immediate effect.

The Post Office can still trade on my premises as it has been in the interim since my suspension. I do not wish to have an impact on the staffs; who have been working hard since this situation, whereby they lose their jobs in the Post Office. I am happy for Interim Enterprises Ltd to continue as they are. It would be foolish to remove the Post Office completely as this would impact customers and staff.

Yours Sincerely

GRO

Kevin Palmer
Director
First Class News Ltd

89

CAT
The Markets Crown Office
Post Office Ltd
2nd Floor The Markets
6 to 16 New York Street
Leeds
LS2 7DZ

Mr K Palmer
First Class News Ltd
The Grange Post Office® Main Branch
105 London Road
Rayleigh
Essex
SS6 9AX

14 April 2016

Dear Mr Palmer

The Grange Post Office branch (the Branch)

I write further to your letter dated 7 March 2016 and my letter to you dated 24 February 2016.

Termination of your contract for services

We note that your letter purports to be a letter of resignation "*with immediate effect*". In fact, your contract with Post Office dated 19 September 2013 (the "**Agreement**") does not allow you to terminate the Agreement with immediate effect. We would direct you to clause 16.1 of the Agreement in this respect which states that the Agreement will continue until either party gives the other 12 months' written notice or it is terminated at any time in accordance with its terms. You do not have any contractual basis on which to terminate the agreement with immediate effect and you have not given 12 months' written notice.

In contrast, as explained in my previous letter, Post Office does have the right to terminate your contract with immediate effect in certain circumstances. Clause 16.2 of the Conditions provides that Post Office can terminate the Agreement immediately if you "commit any material breach of the provisions of the Agreement" (clause 16.2.1); "fail to properly account for any money due to, or stock of, Post Office Ltd" (clause 16.2.2); or "fail to pay any sum due to Post Office Ltd under the Agreement" (clause 16.2.6).

In the circumstances, as you are in breach of clauses 16.2.1, 16.2.2 and 16.2.6 of the Agreement and you have failed to offer any sufficiently evidenced or coherent alternative explanation for the losses, Post Office is now left with no choice but to terminate your Agreement with immediate effect in line with Clause 16 of the Agreement. This letter should be construed as formal notice of termination of your Agreement with Post Office.

Liability for the Debt

You entered into a contract for services with Post Office on 19 September 2013 (the "**Agreement**").

Following the identification of a loss of £61,858.40 (the "**Debt**") at the Branch during an audit on 20 November 2015, Post Office requested that you provide information as to how the loss arose. You declined that request, acting in breach of clauses 3.6.1 and 3.6.2 of the Agreement regarding the recording and provision of information/data to Post Office. In our letter dated 23 February 2016, we gave you a final opportunity to explain your position with respect to the Debt. Again, you have chosen not to provide any response explaining how you claim the loss has arisen.

The legal position as regards liability for the Debt is clear. As you are aware, you were operating as Post Office's agent (see clause 1.2 of the Agreement). The agent-principal relationship gives rise to certain duties for you as a postmaster. As an agent, you are required to account in equity to Post Office, your principal. The law provides that where an agent cannot satisfactorily explain what has happened to his principal's money/property, presumptions can be made against him. In other words, in circumstances where no evidence has been put forward to question the robustness of Horizon, it is for you to explain to Post Office why this Debt is not due. As noted above, you have not offered any explanation for how the loss was caused other than the unparticularised and unsubstantiated allegations about Horizon dealt with below.

The contractual position in respect of liability for shortfalls in cash and stock is clear. As noted in our previous letter, Clause 4.1 of the Agreement provides:

The Operator shall be fully liable for any loss of or damage to, any Post Office Cash and Stock (however this occurs and whether it occurs as a result of any negligence by the Operator, its Personnel or otherwise, or as a result of any breach of the Agreement by the Operator) except for losses arising from the criminal act of a third party (other than Personnel) which the Operator could not have prevented or mitigated by following Post Office Ltd's security procedures or by taking reasonable care. Any deficiencies in stocks of Products and/or any resulting shortfall in the money payable to Post Office Ltd must be made good by the Operator without delay so that, in the case of any shortfall, Post Office Ltd is paid the full amount when due in accordance with the Manual.

The Agreement clearly states that any shortfall not caused by the criminal act of a third party other than Personnel must be made good without delay.

Allegations about Horizon

We note that you have made some comments to our security team which indicate that you believe faults with Horizon caused the loss at the Branch. Post Office rejects this unsupported allegation.

Horizon is used by 11,500 branches, currently has around 78,000 registered users and is used to process 6 million transactions every day. It is consistently subject to independent audits and meets or exceeds industry accreditations.

You have not provided any details of specific dates or times of the alleged problems to allow Post Office to investigate your claims. Indeed, Post Office has not been presented with any evidence whatsoever which calls into question your liability to pay the Debt.

Full Debt outstanding

The full amount currently outstanding to Post Office is £62,084.01 (the "**Full Debt**"). This consists of the Debt, a £20 ATM discrepancy that arose on 29 October 2015 and a final account deficiency of £205.61. This further £205.61 discrepancy arose on 23 November 2015 when the Branch was audited on the handover to the temporary postmaster. You will recall that you agreed for this discrepancy to be settled centrally.

In light of the clarity of the legal position, we trust that you will reconsider your stance on this matter. Please arrange for payment of the Full Debt into the account below:

Account number:

Sort code:

If you do not repay the Full Debt by **13 May 2016**, Post Office will have no choice but to consider formal legal action and your exposure will increase owing to the addition of interest and legal costs to the Full Debt. It is clearly in your interests to avoid having to make a significantly larger payment than the current Full Debt so we would urge you to carefully consider your position. If you need to discuss a payment plan so that the Full Debt can be paid in instalments, please contact, Former Agents Debt team ^v, Finance Service Department, POL, 1 Future Walk , 2nd Floor West, Chesterfield S49 1PF – Telephone:

Yours sincerely

GRO

Carol Ballan
Post Office Limited
Agent Contract Manager

8h



Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

FAO Sabrik Dhamu
Bark & Co Solicitors
Bridewell Court
14 New Bridge Street
London
EC4V 6AG

By email: **GRO**

27 May 2016

Dear Madam,

The Grange Post Office branch (the Branch)

I refer to our conversation of 16 May 2016 with reference to Carol Ballan's letter of 14 April 2016.

Ms Ballan's letter explained that Post Office had decided to terminate your client's Agreement with Post Office. The letter also explained that Post Office seeks repayment of the loss of £61,858.40 that was identified at an audit of the Branch on 20 November 2015. The full amount currently outstanding to Post Office is £62,084.01 (the "Debt"). As set out in her letter, your client is liable for the Debt, which Post Office seeks repayment of.

You have referred to a security investigation that Post Office has also been carrying out, for which your client attended an interview under caution. You asked me how the contractual review process and the security investigation linked together. Both consider what has been taking place at the Branch, including with respect to Branch accounting, which may have led to or contributed to the Branch's losses, so that Post Office can take an informed view of the consequential steps it needs to take to protect (amongst other things) its assets.

In your client's case, this has led to Post Office's decision to terminate your client's Agreement with us and to seek recovery of the Debt. I should let you know that our Former Agents Debt Team has already prepared papers in connection with formal legal action. However I have asked them to suspend action until 6 June 2016 to allow your client a further 7 days to make a decision as to whether he will repay the Debt so as to avoid incurring further costs of this action, which will of course be sought from him in due course. Post Office hopes that further action can be avoided, and I will be happy to consider any reasonable proposals your client may wish to make.

I look forward to hearing from you either on or before 3 June 2016 so that we may resolve this matter.

Yours faithfully,

GRO

Elisa Lukas
Solicitor, Corporate Services

GRO

**Bark
&CO**

31

Bark&co
14 New Bridge Street
London EC4V 6AG

GRO

Without Prejudice

FAO: Elisa Lukas/Carol Ballan
Post Office Limited
20 Finsbury Street
London EC2Y 9AQ

Our Ref: 070116/001

Date: 1st June 2016

Also by Email

GRO

Dear Ms Lukas and Ms Ballan,

Re: Our Client Kevin Palmer – The Grange Post Office Branch

We write further to your letter dated 27th May which was received by email that day at 16:56hrs.

In the first instance, your letter was received at a time which did not allow any real opportunity for us to properly consider it's contents and advise our client. Given the Bank Holiday weekend followed and our office was closed on Monday 30th May, Tuesday 31st May was the first opportunity for the contents of your letter to be considered. Your request for a response to your letter '*on or before 3rd June 2016*' would appear to be unrealistic in the circumstances. You will no doubt also appreciate that you responded to us following our telephone conversation, two weeks later.

Having considered the contents of your letter of the 27th May, we feel that it still does not clearly answer the questions we raised with you during our telephone conversation. Because of this, we remain unable to advise our client. It is important for us to have clarity on certain matters and so we reiterate once again the following;

1. As you know, Mr. Palmer was interviewed under caution by Post Office Investigators on the 28th January 2016. Carol Ballan's letter dated 14th April 2016 was then received by our client. Please confirm whether you and those in charge of the investigation that interviewed our client in January are one in the same department working on this case together, or whether you are separate departments dealing with different aspects of this case?
2. Both your letter of the 27th May and Carol Ballan's of the 14th April seem to suggest that this remains an internal and civil matter. Please confirm (a) that this is and remains the case? and (b) that no criminal prosecution is contemplated? If not, please confirm the basis upon which our client is being investigated.



Principal Antony Giles Bark-Jones
Fax: GRO
DX 447 Chancery Lane
Emergency 24hr GRO

This firm is Authorised
& Regulated by the
Solicitors Regulation
Authority (260885).

3. Carol Ballan's letter of the 14th April states that the 'debt' of £62,084.01 remains outstanding and suggests that payment of those monies should be made by our client otherwise the *'Post office will have no choice but to consider formal legal action...'*. Please confirm whether your position is that should our client pay the monies you say are outstanding, no legal action will be taken, be it civil legal action or a criminal prosecution?

Once we have clarity of your position in regards to the above matters, we will be able to advise our client and formally respond to you.

We look forward to hearing from you.

GRO

Sabrih Dhamu

Bark&co.

8j

Post Office Ltd
CAT- 1st Floor
Future Walk, West Bars
Chesterfield
S49 1PF

Strictly private and confidential

BY SIGNED FOR

Mr K Palmer
First Class News Ltd
105 London Road
Rayleigh
Essex
SS6 9AX

9 June 2016

Dear Mr Palmer

Consequences of Termination of On Site The Grange Post Office® Main Agreement between Post Office Ltd and First Class News (the Operator) dated 19 September 2013 (Agreement)

I refer to my letter dated 14 April 2016 giving notice to terminate the Agreement with effect from 14 April 2016. As advised I am now writing in relation to the consequences of termination should the Post Office relocate to another site.

In this letter, where I refer to "you" or "your" I am referring to the Operator, Cambridge Supermarkets Ltd and any references to "we" or "us" are references to Post Office Limited.

Repayment of Set up Costs

As the Agreement has been terminated within 3 years of the Start Date (as specified in the Agreement), you have an obligation under Part 3 of the Standard Conditions to repay a proportion of the costs that we incurred in setting up a branch at the above premises, including any enabling works to accommodate and any equipment used in the operation of the branch and paid for by Post Office Limited.

The amount to be repaid is £5629.40 which has been calculated as follows:

**Total set up costs we incurred £44, 027.86 divided by 1,095 days = £40.21
£40.21 multiplied by 140 (days remaining) = £5629.40.**

The Operator is therefore liable to repay the amount of £15629.40 if the Post Office relocates to an alternative site.

Please note that any repayment of the Set Up Costs is without prejudice to any other discrepancies (for example, losses of Post Office Limited cash and stock) that may come to light in the future and we reserve the right to recover such discrepancies from the Operator.

**Post Office Ltd
CAT- 1st Floor
Future Walk, West Bars
Chesterfield
S49 1PF**

Your obligations on termination

You should read Part 2, clauses 17 and 18 in full. I also want to draw your attention to the following obligations:

1. Under Part 2 of the Standard Conditions you remain responsible after the termination date for making good any losses (including losses arising from transaction corrections and stock losses) incurred while you were operating the branch.
2. After the termination date, you must not use any intellectual property belonging to Post Office Limited including any signs or other display or advertising materials or any other materials which suggest any connection or association with Post Office Limited.
3. After the termination date, you must not use any personal data in relation to customers of the branch, and should follow any instructions provided by Post Office Limited in relation to such data, which may include returning the data to us, or otherwise carrying out a certified destruction of the data.
4. Please read and comply with your obligations in relation to Staff Liabilities, Assistants and the Transfer of Undertakings (Protection of Employment) Regulations 2006 in full.
5. For a period of 12 months after the termination date, you will continue to be bound by the provisions of clauses 1.5 to 1.7 of section A of Part 6 of the Standard Conditions in relation to any private business operated by you from the Branch Premises.
6. Post Office Ltd.'s Audit Team will attend the Branch (if they have not done so already) to complete a Branch Trading Statement for the last Branch Trading Period ending on the termination date. The Operator (or, in the case of an Operator being a company, the Branch Manager or other authorised representative) will need to be present in order to sign the Branch Trading Statement.
7. You and each of your Assistants working in the branch are required to sign a Declaration (using form P301) to acknowledge that the provisions of the Official Secrets Act will continue to apply to apply following the termination of the Agreement in respect of all the information which you and your Assistants have acquired or to which you have had access by virtue of the operation of the branch. A copy of form P301 is available from the HR Service Centre. All such declarations must be completed and returned to Post Office Limited within 14 days of the termination date.

**Post Office Ltd
CAT- 1st Floor
Future Walk, West Bars
Chesterfield
S49 1PF**

Step-in

Under Part 2, clause 18, Post Office Ltd is entitled to occupy all parts of the Branch Premises that were used or are reasonably necessary for operating the Branch for a period not exceeding 12 months in order to provide continuity of services to customers. The Operator is required to cooperate fully in relation to step-in.

Please acknowledge receipt of this letter with 10 days from the date above.

Yours sincerely

GRO

Carol Ballan
Agents Contract Manager
Post Office Limited

I acknowledge receipt of the letter detailing consequences of termination.

Signed.....
Mr K Palmer

Position.....Director.....

First Class News Ltd

Date:

Post Office Ltd
CAT- 1st Floor
Future Walk, West Bars
Chesterfield
S49 1PF

REPLY SLIP

Strictly private and confidential

BY SIGNED FOR

Mr K Palmer
First Class News Ltd
105 London Road
Rayleigh
Essex
SS6 9AX

9 June 2016

Dear Mr Palmer

Consequences of Termination of On Site The Grange Post Office® Main Agreement between Post Office Ltd and First Class News (the Operator) dated 19 September 2013 (Agreement)

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The amount to be repaid is £5629.40 which has been calculated as follows:

**Total set up costs we incurred £44, 027.86 divided by 1,095 days = £40.21
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The Operator is therefore liable to repay the amount of £15629.40 if the Post Office relocates to an alternative site.

Please note that any repayment of the Set Up Costs is without prejudice to any other discrepancies (for example, losses of Post Office Limited cash and stock) that may come to light in the future and we reserve the right to recover such discrepancies from the Operator.

**Post Office Ltd
CAT- 1st Floor
Future Walk, West Bars
Chesterfield
S49 1PF**

Your obligations on termination

You should read Part 2, clauses 17 and 18 in full. I also want to draw your attention to the following obligations:

8. Under Part 2 of the Standard Conditions you remain responsible after the termination date for making good any losses (including losses arising from transaction corrections and stock losses) incurred while you were operating the branch.
9. After the termination date, you must not use any intellectual property belonging to Post Office Limited including any signs or other display or advertising materials or any other materials which suggest any connection or association with Post Office Limited.
10. After the termination date, you must not use any personal data in relation to customers of the branch, and should follow any instructions provided by Post Office Limited in relation to such data, which may include returning the data to us, or otherwise carrying out a certified destruction of the data.
11. Please read and comply with your obligations in relation to Staff Liabilities, Assistants and the Transfer of Undertakings (Protection of Employment) Regulations 2006 in full.
12. For a period of 12 months after the termination date, you will continue to be bound by the provisions of clauses 1.5 to 1.7 of section A of Part 6 of the Standard Conditions in relation to any private business operated by you from the Branch Premises.
13. Post Office Ltd.'s Audit Team will attend the Branch (if they have not done so already) to complete a Branch Trading Statement for the last Branch Trading Period ending on the termination date. The Operator (or, in the case of an Operator being a company, the Branch Manager or other authorised representative) will need to be present in order to sign the Branch Trading Statement.
14. You and each of your Assistants working in the branch are required to sign a Declaration (using form P301) to acknowledge that the provisions of the Official Secrets Act will continue to apply to apply following the termination of the Agreement in respect of all the information which you and your Assistants have acquired or to which you have had access by virtue of the operation of the branch. A copy of form P301 is available from the HR Service Centre. All such declarations must be completed and returned to Post Office Limited within 14 days of the termination date.

**Post Office Ltd
CAT- 1st Floor
Future Walk, West Bars
Chesterfield
S49 1PF**

Step-in

Under Part 2, clause 18, Post Office Ltd is entitled to occupy all parts of the Branch Premises that were used or are reasonably necessary for operating the Branch for a period not exceeding 12 months in order to provide continuity of services to customers. The Operator is required to cooperate fully in relation to step-in.

Please acknowledge receipt of this letter with 10 days from the date above.

Yours sincerely



Carol Ballan
Agents Contract Manager
Post Office Limited

I acknowledge receipt of the letter detailing consequences of termination.

Signed.....
Mr K Palmer

Position.....Director.....

First Class News Ltd

Date:

8 K

Jackie Grace

From: Sabrik Dhamu [GRO]
Sent: 20 June 2016 11:33
To: Elisa Lukas
Cc: Carol Ballan
Subject: RE: Kevin Palmer, The Grange Post Office

Dear Ms Lukas,

Further to your letter dated 27th May and my reply to you on the 1st June, I am writing as I still have not received a response from you or Carol Ballan.

Additionally, I also understand from my client that he has received further correspondence from Ms Ballan dated 9th June, but not in response to our letter.

I would be grateful if you would confirm when we are to receive a response to our letter so that we can advise our client moving forward.

Regards,

Sabrik Dhamu
Solicitor
Bark & Co Solicitors
Bridewell Court
14 New Bridge Street
London.
EC4V 6AG.

DX 447 London Chancery Lane

Email: [GRO]
Tel: [GRO]
Fax: [GRO]
Tel: [GRO]
<http://www.barkco.com>

Specialists in Serious Fraud, Serious & Complex Crime and Civil Litigation.

This firm is Authorised & Regulated by the Solicitors Regulation Authority (260885).

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From: Elisa Lukas [GRO]
Sent: 27 May 2016 16:56
To: sdhamu@ [GRO]
Subject: Kevin Palmer, The Grange Post Office

Dear Madam

Please see the attached letter.

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Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

FAO Sabrik Dhamu
Bark & Co Solicitors
Bridewell Court
14 New Bridge Street
London
EC4V 6AG

By email:

GRO

23 June 2016

Dear Madam,

The Grange Post Office branch (the Branch)

I refer to your letter of 1 June 2016 in response to my letter of 27 May 2016.

For the avoidance of doubt, I am responding on behalf of Post Office Limited. I have already explained how Post Office's contractual review process and the security investigation linked together and in any event, I do not understand how that has any bearing on your client's liability to repay the Debt.

Post Office has determined that it will pursue your client through civil proceedings for repayment of the Debt, rather than bring a criminal prosecution. However, we hope that such civil action will not prove necessary and that your client's proposal to settle the Debt will now be forthcoming.

Yours faithfully,

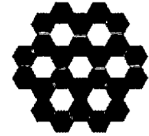
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Elisa Lukas
Solicitor, Corporate Services

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Land Registry



Official copy of register of title

Title number **GRO** Edition date 31.07.2014

- This official copy shows the entries on the register of title on 17 MAY 2016 at 15:35:45.
- This date must be quoted as the "search from date" in any official search application based on this copy.
- The date at the beginning of an entry is the date on which the entry was made in the register.
- Issued on 17 May 2016.
- Under s.67 of the Land Registration Act 2002, this copy is admissible in evidence to the same extent as the original.
- This title is dealt with by Land Registry, Peterborough Office.

A: Property Register

This register describes the land and estate comprised in the title.

ESSEX : CASTLE POINT

- 1 (05.05.2011) The Freehold land shown edged with red on the plan of the above title filed at the Registry and being **GRO**
- 2 (05.05.2011) The land has the benefit of the rights granted by but is subject as mentioned in the Transfer dated 27 November 1958 referred to in the Charges Register.
- 3 (05.05.2011) The Transfer dated 27 November 1958 referred to above contains provisions as to light or air and boundary structures.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

- 1 (05.05.2011) PROPRIETOR: KEVIN LESLIE PALMER and HELEN CLARE PALMER of **GRO**
- 2 (05.05.2011) The price stated to have been paid on 27 April 2011 was £280,000.
- 3 (05.05.2011) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 27 April 2011 in favour of Barclays Bank PLC referred to in the Charges Register.

C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 (05.05.2011) A Conveyance of the land in this title and other land dated 21 April 1927 made between (1) Charles Augustus Draper Whitfield and Alice Elizabeth Whitfield (Vendor) and (2) Charles Ernest Louis

Title number **GRO****C: Charges Register continued**

Gilbert (Purchaser) contains covenants details of which are set out in the schedule of restrictive covenants hereto.

- 2 (05.05.2011) A Transfer of the land in this title dated 27 November 1958 made between (1) Alfred Walter Hardy (2) Lloyds Bank Limited and (3) Joan Tudor Gridley contains restrictive covenants.

NOTE: Copy filed.

- 3 (05.05.2011) REGISTERED CHARGE dated 27 April 2011.

- 4 (05.05.2011) Proprietor: BARCLAYS BANK PLC (Co. Regn. No. 1026167) of P.O. Box 187, Leeds LS11 1AN.

- 5 (05.05.2011) The proprietor of the Charge dated 27 April 2011 referred to above is under an obligation to make further advances. These advances will have priority to the extent afforded by section 49(3) Land Registration Act 2002.

- 6 (31.07.2014) UNILATERAL NOTICE in respect of a Charge dated 30 July 2014.

NOTE: Copy filed.

- 7 (31.07.2014) BENEFICIARY: Evolution Banking Limited (Co. Regn. No. 06113307) of Bauhaus, Rossetti Place, 27 Quay Street, Manchester M3 3GY.

Schedule of restrictive covenants

- 1 (05.05.2011) The following are details of the covenants contained in the Conveyance dated 21 April 1927 referred to in the Charges Register:-

COVENANT by Purchaser to the intent that the same should be binding on the land thereby conveyed into whosoever hands the same might come but not so as to make the Purchaser personally liable after he should have ceased to possess the legal estate of the said land with the Vendors to observe and perform the restrictions and stipulations and conditions contained in the Schedule thereto.

THE SCHEDULE referred to

1. The Purchaser shall forthwith erect and forever after maintain a boundary fence on the side of the said land where marked "T" on the said plan within the boundary and also fronting the said proposed new road to the approval of the Vendor or their Surveyor.

2. No building to be erected upon any part of the said land of less value than £600 The value of a house to be the amount of its first net cost in materials and labour or construction estimated at the lowest current prices at the time of building.

3. The plans to be first approved by the Vendors or their Surveyor before being submitted to the Local Authorities. No building to project beyond the building line of 20 feet shewn on the plan and the land in front between the building line and the road to be used only as a forecourt or approach to the building and be fenced in with walls or fences of a height pattern and construction approved by the Vendors or their Surveyors. No alteration to be made in the front or rear elevation of any building after its erection without the written consent of the Vendors or their Surveyor.

4. No building erected on the said land shall without the previous consent of the Vendors be used or occupied as a public house or beershop or for the sale of sale beer wine malt or spirituous liquors or for a hospital convalescent home infirmary for fever or infectious diseases lunatic asylum or establishment for insane persons or for a chapel meeting house school or as a pawnbrokers or for any noisome offensive or dangerous art trade business occupation or manufacture or for any purpose other than as a private dwelling house

5. The Purchaser shall not do or suffer to be done anything which shall

Title number **GRO**

Schedule of restrictive covenants continued

be or may become a nuisance annoyance or disturbance to the Vendors or the owners tenants or occupiers of other portions of the adjacent lands belonging to the Vendors

6. No sand gravel clay chalk or soil shall be removed from the said land except for the erection of buildings thereon and bricks or clay shall not be burnt or made thereon.

7. No caravan house on wheels or other construction and no swing booth or roundabout shall be erected or allowed to be fixed or placed or allowed to remain upon the said land and the Vendors or their Agent may break down any fences or forcibly enter on the said land for the purpose of removing any such construction or erection and the Vendors and their Agents shall not be responsible for any damage caused thereby.

NOTE:-No boundary of the land in this title is marked 'T'

End of register

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