

### **Statement of Angus Martin**

1. My name is Angus Martin. I live at 3 The Green, Haddenham, near Ely. I currently work as Executive Chef at the Varsity Hotel and Spa in Cambridge. In that capacity I am responsible for running two restaurants, of 120 and 140 covers respectively, and for a chef brigade of 26.
2. I have some 30 years' experience in the catering trade, in which I started at the age of 18. I have worked in 4-star London hotels, including the Sheraton Skyline, the Britannia Hotel (where I was sous-chef) and the Royal Garden Hotel, Kensington. I worked from 1997-1998 as sous-chef for the Kuwait Aviation Services Company, where I was responsible for following airline standards and making sure deadlines were met. From 1998 to 2006 I worked at Fortnum and Mason's, and from 1999 was Head Chef for all their restaurants, responsible, among other things, for development of menus for high profile events, seasonal menus, and production of food items for retail sale in the Food Hall. I was providing Executive Chef support to a Chef brigade of 40 members. From 2006 to 2008 I worked at the Cambridge Arts Theatre as Chef Catering Manager, responsible for the fine dining restaurant and the outside function arm, including all the costs and management functions of the hospitality division of the theatre.
3. In 2008 I became the tenant at The Cabinet at Reed when the premises were owned by Albanwise.
4. My business partner was Tracey Hale. I knew Tracey from our employment together at the Cambridge Arts Theatre, where she was in charge of management of the catering and the bar. Both of us harboured an ambition to go into the pub trade. Tracey knew the previous manager of The Cabinet at Reed, whose name was Dawn. When she decided to move on, I understand Dawn approached Tracey who raised the opportunity with me.
5. At this time, I had no reason not to trust Tracey or to question her honesty.
6. I inspected the premises and looked at trading figures provided by Albanwise during a meeting with a representative of their property division in London. The meeting went well and I decided to give it a go, with Tracey as my business partner. Tracey and I took out personal loans from Lloyds of £7,000 each to help us start the business.
7. Albanwise started us on a peppercorn rent and raised it later, eventually to over £40,000. The business rate at the time was high, amounting to some £22,750.

8. Trade at The Cabinet was steady and it was making money. Unfortunately, the recession hit just after we started the business. It affected the lunchtime trade particularly. We responded by changing the menus and keeping costs down by serving local game, including venison, hare and muntjac. I also supplied game pies to a frozen food company.
9. The restaurant would fill up on Friday, Saturday and Sunday lunchtimes - these were always the busiest times. 40 or so regular drinkers from Reed visited more or less frequently. A number of the regulars were of pension age.
10. There was never a particular parking problem - at busy times cars used to park in the centre, as well as on both sides, of the car park, and on the lanes outside.
11. The business provided employment on average to about 8 staff, mainly from Reed and other nearby places including Royston. Sometimes as many as 10 staff were on duty on Saturday evenings.
12. So far as management was concerned, I ran the business and Tracey carried out the accounting.
13. Unfortunately, around the middle of 2010, discrepancies in payments became apparent. The accountant approached me and said there was a £16,000 "hole" in the accounts. On investigation, I could not immediately find the hole. The right amounts of money had left the bank accounts - but it soon became clear to me that it had not reached the intended payees.
14. We defaulted on payment of the business rate in 2010. The fishmonger, the butcher and the wine merchant all approached me and told me we owed them money - in the case of the wine merchant, the outstanding bill was £21,000. HMRC had not been paid our VAT.
15. Following a conversation with Ainsley Hale, Tracey's estranged husband, I also looked at the cash takings and compared them with what was banked. I discovered discrepancies amounting to about £1000 per month. Given the £16,000 "hole", this must have been happening for 16 months.
16. That weekend I went home and made some calculations based on what I had learned. I worked out the total value of the "hole" - that is, the cash from the till that was not going to the bank, and the money that had gone from the bank but not reached suppliers. I was so shocked that I remember the amount very clearly - it was £36,470.70. All that money existed - it simply never reached the intended payees.

17. I also discovered that among things purchased on the Cabinet credit card account was a Great Dane puppy. Tracey had travelled to Yorkshire to buy it - she had been accompanied on this trip by Amy Webster, a waitress at The Cabinet. When Amy discovered that Tracey had been using the Cabinet credit card she reimbursed her hotel expenses.
18. What is more, a discrepancy became apparent relating to tips. When we first started to run The Cabinet, tips in the restaurant on a Saturday night typically amounted to £230 or £240. Towards the end of the period it had shrunk by about £100 while the takings remained roughly the same. Naturally, this is not an exact science but this was an unexplained reduction. This sum is in addition to the money referred to above.
19. I could only conclude that Tracey was diverting these funds. Conversations I had with others, including Ainsley, Pauline (another waitress at The Cabinet), and with Tracey's father, suggested that Tracey had a propensity towards stealing which I had not previously suspected.
20. That Monday morning, I confronted Tracey and put it to her that she was responsible for the missing funds. Her reaction was along the lines of, "Oh, my God, I can't cope." She did not deny my accusation or make any excuses.
21. I proposed that she should leave at the coming weekend, and she agreed. We agreed that we would say nothing about this to the locals in order to save embarrassment.
22. When the Saturday came, Tracey worked most of her shift. Then, around 9 or 930pm, India, another waitress, called me into the kitchen. From the kitchen, I saw Tracey leaving in a car driven by Liam, her boyfriend. India told me she had seen Tracey taking money out of the till. I checked the till and found it was empty apart from coins. Tracey had probably removed between £300 to £600.
23. I have not seen Tracey since then.
24. After Tracey left I ran the pub myself for about a year. I was able to pay off the small suppliers, and the electricity bill. I moved to cash on delivery with the suppliers and allowed the wine merchant to set up a small wine shop in the snug. I was able to make these payments with the takings the pub was making. But I was struggling to make inroads into the overall debt, particularly with bigger companies such as Biffa Bins and Calor Gas.
25. The final problem was the business rate. The Council sent the bailiffs round. Initially I was able to persuade them to leave by demonstrating that I was making instalment payments -

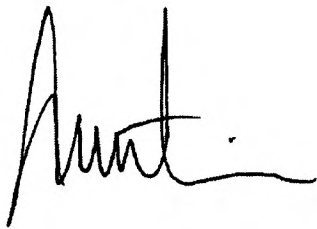
notwithstanding that strictly speaking such rates should not be paid that way. However, the Council persisted – telephone calls, letters and so on. The Council asked for the next year's business rate in advance. In the end, they threatened me with bankruptcy, so I pre-empted them by myself applying to become bankrupt. At that point, I had no option but to close the pub.

26. I left the pub with a full trading inventory including unsold drinks. It was left in a clean and tidy state. Another tenant would have been able to reopen the pub immediately.

27. I have already stated that the Cabinet was doing steady business. In my opinion there is money to be made from the pub, and it is likely the pub would still be running, perhaps with a few changes to the menu to make it simpler, if it had not been for the problem with Tracey.

28. I believe the contents of this statement to be true.

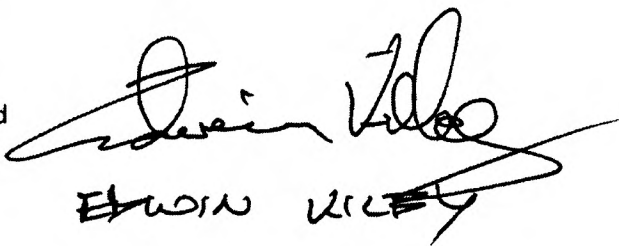
Signed



Date

5/6/2017.

Witnessed



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