POL00066545

23 February 2006

Messrs Frisby & Co
Solicitors
26 Eastgate Street
Stafford ST16 2LZ

Our Ref: CRM/239850/DH/dmt
Your Ref: KD.fmw

Corporate Security
Impact House
2 Edridge Road
Croydon
CR9 1PJ

Tel: GRO
Fax:
www.royalmail.com

Dear Sirs

REGINA -v- CARL ADRIAN PAGE

I enclose herewith Notice of Additional Evidence consisting of Witness Statements and the associated Exhibits produced by Robert Neil Davies, Catherine Elizabeth MacDonald and Lesley Margaret Cook. These statements are served on you under the provisions of Section 9 of the Criminal Justice Act 1967.

I confirm I have served copies of the above statements on the Chief Clerk of the Crown Court. I should be grateful if you would kindly acknowledge receipt hereof.

I refer to your letter dated 9 February 2006. In responding thereto for ease of reference, I shall use the same headings as your expert.

Period of Indictment

The Prosecution are not in a position to show when Mr Page commenced extracting money from the Rugeley Sub Post Office. We do not specifically allege that the theft began in March 2002. The time period of the count was chosen originally to match that of Count 1. The theft in fact could have begun at any stage after Mr Page took over at Rugeley. The Crown does not consider that the starting date set out in the Indictment is a specific averment. If the Defence feel prejudiced in any way by the starting point set out in the count, an application will be made to amend the Indictment to cover the whole period that Mr Page was Sub Postmaster.

POL00066545

It has never been the Prosecution case that the theft of monies were only concealed by the inflation of the Horizon foreign currency figure. As you are aware on 14 January 2003, a snap shot of the "AM" stock revealed £282,000 missing in the currency figure declared. Mr Patel's exhibit MP/6 shows the steady inflation of the foreign currency from week ending 28 August 2002 through to week ending 8 January 2003 commencing with an inflated figure of £188,000.

The Prosecution are now in a position to state that in conducting the audit on 27 June 2002, Mr Davies wrongly took into account two cheques totalling £129,813.66 that were present at the office. The cheques were associated with a BCV dated 24 June 2002 for £139,400 but had not been remitted out of the office. All three cheques associated with the BCV were drawn on the account of GRO

The cheques in question related to transactions that were conducted on 1 July 2002 and 2 July 2002, as evidenced by the Forde Moneychanger till rolls (part of item MP/3A).

The consequence of these cheques being taken into account by Mr Davies is that he declared a shortage of £8,335.63, when the true shortage on 27 June 2002 was £138,149.29.

Clearly the documentation to support this increased shortage has been in your possession since June 2002. The fact that the significance of the cheques was initially missed by the Prosecution reflects the difficulties in assessing the true position of the cash/stock held when manipulated accounts are presented.

Information relied upon by the Prosecution

My letter dated 3 February 2006 does not purport to summarise the Prosecution's case. The Opening Note prepared by Counsel (forwarded to you on 3 October 2005) does that.

Indeed Paragraph 3 of that note refers to the fact that "It is an important matter of the background to the case that at Rugeley, Bureau de Change facilities were available on demand to customers." The Opening Note sets out fully and clearly which elements of the accounting evidence are relied on in relation to the Bureau.

An amended summary is to be prepared to explain the further shortage that existed in the accounts on 27 June 2002.

POL00066545

Audit process

The description of the audit process as set out by your expert is correct. Robert Davies describes the audit process in his additional statement.

The information about the errors came from a system called STAM (System Transactional Accuracy Measures). The database was decommissioned in April 2004 and I have been advised that none of the data has been retained.

Although the STAM system would include accounting errors, the vast majority of errors would be procedural. During early 2002 the system included "errors" relating to the late dispatch of documents, the paperwork being presented wrongly, etc. Towards the end of 2002 the system was reduced to deal mainly with client-related errors, i.e. errors which may involve a cost to the business.

Operators at Chesterfield input errors into the STAM database. When the errors reached a certain level the computer would automatically forward a report to Opticom (outsourced firm) and a computer generated letter would be produced and sent to the Sub Postmaster informing him of the high level of errors.

Examples of the types of errors recorded against Rugeley can be found in the unused material already in your possession. A Remedy Feedback "report" (undated) refers to "DVLA LATEMAIL WK23". Reference is also made in the "report" to work received late in Week 16 and in Weeks 17, 18 and 23. Ann Booth in her memo further makes reference to paperwork being late in Week 24.

The types of errors that impact on the accuracy of the accounts produced by a post office are dealt with in the witness statements of Catherine Elizabeth MacDonald and Lesley Margaret Cook. Catherine Elizabeth MacDonald produces as her Exhibit CEM/1 the accounting record for the Rugeley Sub Post Office from January 2002 to January 2003.

Audit - Week Ended 26 June 2003

The Prosecution's case is that from CAP 22 through to CAP 41 the inflations shown in MP/6 represent the "hole" in the post office accounts existing at the time and resulting from the theft of monies by Mr Page. It is not alleged that the starting point of the theft was in CAP 22.

POL00066545

Cont...

The additional statement of Mr Davies covers the concealment of the missing cash in week ending 26 June 2002.

In circumstances where accounts have been manipulated, it is simply not possible to say how and when individual amounts were removed.

"Errors" – Pre-14 January 2003

Dealt with under "Audit Process" above.

Horizon System User Guide

The Prosecution do not propose to provide a summary response as requested. Whilst the Guide supplied is voluminous, each booklet has its own contents page.

Revaluation Figures

The revaluation of currency was relevant to the conspiracy charge in respect of which Mr Page was acquitted. The statement of Manish Patel at pages 189 to 190 explains how errors emerged on Horizon by the mistaken use of some of the weekly revaluation figures generated at the Rugeley Office. This is the only relevance of revaluation to the theft count. As stated above the relevance of the Bureau de Change facilities to the theft count is fully set out in the opening note.

Details of cash (sterling) paid out by the Post Office

As you are aware the weekly cash accounts should accurately reflect payments made by the post office. Error notices are raised where figures stated do not marry up with documentation supplied. The exception to this is the payment of pension and allowances. During the indictment period pension and allowances were dispatched on a weekly basis to the Paid Order Unit at Lisahally. The pension and allowance orders were subject to spot checks.

Explanation for significant variations in cash on hand figures

The witness statement of Douglas Brown states in terms that offices were supplied with standard replenishment values which remained constant unless changed by the branch. In other words individual offices would receive a fixed rem each week but further monies

POL00066545

Cont...

could be requested if required. Reference to the weekly cash accounts provided, will enable you to identify the value of the remittances received in any cash account week.

Finally, I enclose a copy of the transcript of Mr Page's evidence which may clarify some of the issues raised.

Yours faithfully

Debbie Helszajn
Senior Lawyer
Criminal Law Team
deborah.helszajn@ GRO

Enclosures

POL00066545

Q. Helen Linley?

A. That is correct, sir.

Q. Lynn Baxter?

A. That is correct, sir.

Q. And Helen Rogerson?

A. Yes, sir.

Q. Those were the original team?

A. Yes, sir.

Q. We have heard, in short, some of the business that was done at the Post Office and it may well be that many in this court know broadly the sort of things that post offices do because we use them but as far as Rugeley is concerned what sort of business went on in Rugeley? What sort of business were you involved with in the Rugeley sub-post office?

A. When I first started, even though it was a Crown office, the main transactions that we do were, like, car taxes, stamps, Giro banks, pensions, allowances and day to day things like that. However, as we got our feet under the table we asked for the Lottery to be installed and also the bureau. We were told we couldn't have the bureau because the office was only performing maybe six a year, but we asked the Post Office with the help of the members of the public and the Post Office, and the manager came down and we asked if we built our own bureau department, as in an old office, and provide the counters with the help of money from ourselves and what are called English Partnership, which is – Rugeley being an old coal mining town gets a grant from the Government and we created a bureau, two separate counters in the old manager's office and because we did that they gave us a bureau.

Q. So, before you arrived at Rugeley, there was not a bureau at all?

A. No, sir.

Q. And is it right that that bureau was installed in 1998?

A. In 1998, yes.

Q. So, just after a year or so after you arrived to run the business?

A. That is correct, sir.

Q. In short again, Mr Page, if you can help us, why was it: was it your idea, or Deborah's idea, I should ask you first, or a joint decision?

A. It was a joint decision because as the jury now know, we get paid by the remuneration that is everything that we do. If we do a car tax we get 65p for it. We just wanted to increase the business into the Post Office.

Q. Let us pause a minute there, if we can, and deal with that aspect of remuneration. How were you remunerated as a postmaster?

A. For every transaction we did we get a certain amount for doing that transaction and because the contract we had, which was like MSPO, which is a modified sub-post office -

Q. A little slower, Mr Page, please. I know that it is difficult but take it a little slower.

A. We have a core payment which was roughly – I think it may have been about £1500 per month and then we have x amount for selling so many stamps, x amount for doing car tax.

JUDGE WOOD: I have written, "I was paid per transaction and under the MSPO contract a core payment of £1500".

A. Roughly that, your honour, yes.

Q. We have some flavour of the figures per transaction, only of the bureau, actually.

A. Yes, it varies on what transaction you are doing.

Q. I assume that if somebody comes in to cash a pension, if somebody comes in to buy car tax, you get a small figure?

A. Yes, sir.

Q. Which I do not think you need to disclose to us.

A. Off the top of my head I couldn't tell you but I think it's something like maybe 65p for car

POL00066545

tax.

Q. So, those all tot up as well as the £1500 per month?

A. That is correct.

MR COOPER: Were sales important?

A. Well, yes, not only for me and my ex-wife Debbie but from day one the Post Office were in a selling mode. They wanted to sell, sell, sell, sell and each month the Post Office would have a product of the month where they wanted you to sell.

Q. We will touch upon it in perhaps greater depth later on, Mr Page, but how did you get the impression that the Post Office were sell, sell, sell, sell, as you put it?

A. From the area manager's who came down. As I said before, they had a product of the month, maybe over some period it would be bureau; coming towards Christmas it would be stamps. A member of the public would come up to you and say, "Can I have two stamps?" and you say, "Well, if you're having two, why don't you have a book of four?" and the majority of people then would have a book of four.

Q. Given the Post Office's approach to sales, how did that make you feel?

A. In what way?

Q. In terms of what you should be doing to please your employers and to make your own family some money.

A. Well, sell, sell, sell, not as much hard selling because neither me or my ex-wife wanted to – you can't really hard sell to somebody who is 65 coming in who's only got x amount to pay from the pension, but certain business people come in and they will buy, I don't know, 40 or 50 stamps and you'd see if you could sell them 100 stamps.

Q. And so the bureau idea came about and you told us was installed in late 1998.

A. That is correct, sir. We were doing fairly well with pushing the sales that we could. Any sales that we could determine we could increase - things like pensions or allowances from an

POL00066545

A outside source we couldn't determine but we did ask the Post Office if we could do the bureau.

Q. Yes, and someone came round, did they not, from the training department of the Post Office to provide you with instructions on the workings of the bureau; is that right?

B A. After it was installed sir, yes.

Q. Yes, and how long did this person give you training for? How many weeks or months?

A. Two hours, sir.

Q. Two hours. When the bureau first started how was business?

C A. Well, as I said earlier, when the Post Office at Rugeley were doing maybe six a year, pre-order when we first started - we ended up maybe between 15 and 20 a week. When I left the Post Office, as in when I got arrested on January 13th, we were doing 7,000 a year.

D Q. In terms of your increasing the sale of foreign currency for the Post Office, did they recognise your achievements in any way?

A. Yes, the office won Marks & Spencer's gift vouchers.

Q. For what?

E A. For increasing sales in the bureau percentage wise, year on year.

Q. So, because you had increased sales in the bureau percentage wise year on year, the Post Office sent you some Marks and Spencer's vouchers?

F A. They sent us £25 worth of Marks and Spencer's vouchers but I had six members of staff, so I had to go out and buy another £5 voucher.

Q. You had to what, I am sorry?

A. Go out and spend another £5 on the voucher because they wouldn't provide the other £5.

G Q. Try to keep your voice up, Mr Page. This is your big opportunity to let the jury know your evidence. So, the Post Office sent what?

A. £25 worth of gift vouchers for Marks and Spencer's.

H Q. And you had to do what?

A. Well, because I had six members of staff, I couldn't divide them so I went out and bought another £5 so that I could divide them.

Q. Did the Post Office on top of giving you some Marks and Spencer's vouchers give you any certificates to recognise the increased sales?

A. We had one certificate, and that was up in the office.

Q. And what was that certificate for?

A. An increase in sales.

Q. Where?

A. In the bureau.

Q. In the bureau. Let me ask you a little about the process of ordering currency in the bureau. We have heard a little about it, Mr Page, so we are not coming to this totally fresh but from your perspective let me try to deal with what seems to be accepted ground. Currency was ordered, was it not, via a telephone to Hemel Hempstead?

A. That is correct, sir.

Q. What did you do?

A. We could phone up – as long as we ordered before two o'clock at Hemel Hempstead, we should get it the following working day and if you ordered it on a Friday you would probably get it on the Monday but because it's next door to the sorting office, we might get it on a Saturday.

Q. And would the currency then be delivered to you or to the Post Office?

A. To the Post Office, yes.

Q. And what would happen when the currency came in to the Post Office?

A. It would be unpacked and put in the Ford money changer machine but sometimes if it was too busy we just used to put it in the safe.

Q. So, unpacked, put into the Ford money changer. Sometimes you say that you were too busy?

POL00066545

A. We used to just leave the unopened envelopes in the safe or we would open the envelopes and we would just leave the money in the safe to be put in at a later date.

Q. Did you have any understanding or knowledge of First Rate Travel Service's wholesale buy rate?

A. No, sir.

Q. Did you have any knowledge whatsoever that the Post Office devalued currency?

A. No, sir.

Q. Were you ever provided by the Post Office with any information or instruction on these issues?

A. No, sir.

Q. What was your understanding concerning currency being sold at a rate below the retail buy rate as to whether the Post Office would make a profit or not?

A. As long as – I was under the impression - that I sold it between the sell date and the buy date I wasn't making a profit.

Q. Can I ask you a little about the Command 10 printer?

A. Yes, sir.

Q. What is your understanding of that printer?

A. The Command 10 printer used to print out at the end of the week and that would have all the foreign currency from the bureau stock.

Q. Keep your voice up, Mr Page. Say it again, please.

A. The Command 10 printer would print out on a Wednesday evening or Wednesday afternoon and that print out would have all the currencies which are stocked in the bureau and then we would check the equivalent which were in the drawers to make sure that they matched with the Command 10.

Q. Okay. Now, you told us about Deborah and, sadly, that relationship broke up. Is that

POL00066545

A right?

A. That is correct, sir.

Q. When did you split up from Deborah?

B A. In November 2001, but she left the Post Office in January/February 2002.

Q. Let us just take it stage by stage. When were you married?

A. In 1987.

Q. And when did the relationship start to go wrong, approximately?

C A. About 2000, 2001.

Q. In 2000, 2001? And when did you finally divorce?

A. In 2002.

D Q. You told us that you and Deborah were working with your various strengths or weaknesses together in the Post Office. Did she remain at Rugeley sub-post office?

A. Up until January/February 2002 when she decided to go back to the bank.

E Q. 2002? So, she remained working at Rugeley Post Office until January or February, what year?

A. 2002.

Q. And after she decided to leave where did she go?

F A. She went back to the Midland Bank.

Q. Which bank did she go back to?

A. Midland Bank, sir.

Q. Do you know what she went back to do?

G A. No, I think she ended up going back to the mortgages, I think, sir.

Q. Did you have much communication with her after that?

A. I did through the children, sir, but after I started seeing my wife now, Rachel, which was at

H the end of that year, she just stopped all communication.

POL00066545

Q. So, effectively, in terms of communication over and above seeing the children, none?

A. None at all.

Q. So when she left the Post Office, how did things change as far as you were concerned in terms of its organisation and its running?

A. Regarding the running we were – well, I was left in the lurch because she used to do most of the back office accounts leading up to a balance, and I just left it with a good member of staff, (inaudible) as well.

Q. How do you feel you were coping after she left?

A. Well, at first I thought I was coping quite well but after a period of time just the work, because it was getting busier and busier, the work just became too much and I employed maybe another member of staff, but because of that, you start to train them up and you have to train them up and you are still trying to do – I mean, I used to serve myself, so I was trying to serve, do whatever needs to be done in the day to day running of the Post Office, plus the office balance and the bureau.

JUDGE WOOD: What I have written is, "After a time, the work became too much and although I employed more staff, they required training".

A. That is correct, yes.

Q. I do not know if you would like me to add to that?

MR COOPER: You gave his honour and the jury some specific examples of the various roles you were performing. You said that you were behind the counter?

A. I was still serving on the counter as a clerk.

Q. Yes, and what else were you doing?

A. Still doing the day to day running of the Post Office in the back, as in letters and communications that need to be done, trying from day one, from a Thursday morning, to start to get the office ready for the balance on the Wednesday evening and also doing the bureau, so at

POL00066545

that time I was the only one who was doing the bureau as such, so I needed to train somebody up.

Q. Who did you train up?

A. Originally I trained Margaret up and then Jane.

Q. Margaret Pearce and Jane Batey?

A. That is correct.

Q. Is it right that you informed your area manager at the time, Jim Coney, that you and Deborah had split up, and brought him up to speed with developments?

A. That is correct, sir.

Q. Did anyone inquire from the Post Office as to how you were coping or how you were getting on?

A. No, sir.

Q. You have touched upon your previous work as an apprentice professional footballer at Walsall and, how shall we put it, taxi driving in Northern Ireland. Did any of the previous work or experience that you had prepare you for what you were now doing in the Post Office without Deborah?

A. No, sir.

Q. On average, around about this time how many customers per week was Rugeley dealing with?

A. Between 4,500 and maybe 5,000 per week. When it came to the busy periods at the end of the month, where the car taxes are, it's the end of July, maybe 6,500 per week.

Q. How much?

A. Between 6,000 and 6,500 a week.

Q. At its peak, as it were?

A. At its peak, sir, but the Post Office was getting busier and busier.

POL00066545

Q. But you say on average between 4,500 and 5,000 customers per week going up, you say, to 6,000?

A. To between 6,000 and 6,500, sir, and the reason I know that is because of the timer on the door that clicks every time the door opens and shuts.

Q. When Deborah was with you in the Post Office and you did figures, as it were, some of the accounting – did you do some of the accounting?

A. I did, sir, yes.

Q. Who checked the figures?

A. Debbie.

JUDGE WOOD: I am sorry to interrupt but what are you meaning that you used to do which she checked? Would you be doing the balance, as it were, a trial balance before you filled in the documentation or what?

A. Yes, your honour. Because – not being too technical, at Rugeley we had six counters for Post Office clerks and then we had a bureau and then we had a philatelic, which was the external stamp vending machine and then we had an office, AM stock at the back.

Q. Yes.

A. Now, in the Post Office you can individually balance each till so that you know where the shortage is or you can have a whole office balance. We decided, because it was our own business, to have individual tills so if one of our Post Office clerks were struggling or maybe thieving, sir, you would know where the money is coming from.

Q. Quite.

A. Now, because I was serving, I used to balance everything off on my own till and then I used to get my wife to check, and also I used to start balancing everything off on a Wednesday, collect all the pension allowance dockets, Giro bank --

Q. So, supposing I was one of your staff, you would be checking my till by checking that I had

POL00066545

the right bits of paperwork and the right amounts of money?

A. That is correct, sir.

Q. I bet there would be a discrepancy if it was me, but you would be checking that yourself?

A. Yes.

Q. And then are you saying that Debbie would check that what you had done was also correct?

A. That is correct, sir.

MR COOPER: I am grateful. (To the witness) You have told us that Debbie left. What about the original four members of staff that we named when you first took over? Had they remained to add a degree of continuity to how the business was being run?

A. No, they ended up back in the Post Office.

Q. Out of Rugeley, as it were?

A. Out of Rugeley. There was only one member of staff stopped, which was Helen Rogerson, but she wasn't very well. She had severe arthritis in her hands and she probably struggled to get back in the Post Office, but there were three left after that, between six months and a year, and a half went back to the Post Office.

Q. So, what we have here, round about 2002, around the time that Debbie was leaving, also three of the original members of staff -

A. Were no longer there, sir.

Q. They were no longer there and Helen Rogerson was there, yes?

A. Yes, sir.

Q. And we asked her about her medical condition. She was having a little bit of difficulty herself?

A. She did, sir. She was quite slow in doing the transactions and because the Post Office like x amount of people served inside five minutes, she was struggling to serve customers in --

Q. She had GRO

POL00066545

A. Yes, sir.

Q. There is no secret about it GRO?

A. Yes, sir.

Q. And you helped her with a calculator and that sort of thing to help her out?

A. Yes, she turned up every day, sir, and she balanced.

Q. There is no dispute because the witnesses confirmed that you were known as someone who was kind and compassionate to your employees, were you not?

A. I like to think that, sir, yes.

Q. That is what they said.

A. Yes.

Q. So, there it is. Debbie gone, three of the original staff members gone, Helen Rogerson there doing the best with your assistance but struggling?

A. Yes, sir.

Q. Who came in to fill the void, as it were?

A. When the first two members of staff, original members of staff, left, we asked Margaret, who was -- Margaret Pearce, that is, who was working in a smaller sub-post office in Rugeley, to come down and also her number two, Barbara Carey.

Q. Barbara Carey?

A. Yes.

Q. And when did Margaret Pearce start?

A. About 1999, sir. It could have been a bit earlier. 1998, it could have been.

Q. Jane Batey?

A. Jane Batey worked in our retail side, sir and because we wanted somebody who was -- she was fairly good at figures when she was adding up on the retail side and everything - we promoted her on to the Post Office side and my ex-wife Debbie trained her up.

POL00066545

A Q. All right. And you mentioned Barbara Carey?

A. Yes, as I said, she came a bit later on, about a year after Margaret or maybe two years after Margaret Carey. She had a small knowledge of Post Office procedures because the office that she was in was only a small office. She didn't know how to do car taxes and certain things.

B JUDGE WOOD: This is Margaret Carey?

MR COOPER: Yes, your honour.

A. Barbara Carey, sir.

C MR COOPER: I am sorry, did I say Margaret?

A. Yes.

Q. It is my fault. Barbara Carey.

D A. Yes. My ex-wife trained her up.

Q. I am sorry?

A. My ex-wife Debbie trained her up.

Q. And was there also a Patricia Grey?

E A. Yes, we took her from the local WH Smith's because she was in their accounts department upstairs.

Q. And what was her job?

F A. She ended up being a Post Office clerk, but again, sir, we had to train her up as well.

Q. And it is right, no dispute about it, that Margaret Pearce and Jane Batey assisted you, did they not, in pulling things together or attempting to pull things together?

A. They were – to be fair, sir, they were golden.

G Q. They were golden?

A. Yes.

Q. After Deborah left did you begin to receive certain correspondence from the Post Office?

H A. Regarding what, sir?

POL00066545

Q. Regarding any irregularities or anything like that?

A. No. We did have a problem in the office, especially in the latter part of 2001, beginning of 2002. We were making quite a few errors and the Post Office were quite keen on stopping the errors.

Q. What sort of errors?

A. Well, for example, if you do a car tax, when you go to the old forms, the V11 forms, when you have your reminder for car tax, when it says you tick the box or you put an x in the box, if you were coming to the Post Office and you put a tick in what you wanted and we would pass it through and send it off to the DVLA, if we hadn't put a cross there instead of a tick, the Post Office would get charged by the DVLA for putting that thing right.

Q. So, let us be clear about it. That is the sort of errors we are talking about; a cross and not a tick?

A. That's --

Q. That sort of thing?

A. That is correct, sir.

Q. The DVLA would charge the Post Office if it was a tick and not a cross?

A. Yes, that is correct, sir. I might be told otherwise.

Q. That is as you understood it?

A. Yes.

Q. And the Post Office contacted you and told you that there were an unacceptable level of errors here occurring; is that right?

A. Yes, sir. My retail network manager because – every three months, well, every two or three months, we used to get a league table for the others and Rugeley was, to be fair, sir, near the bottom.

Q. Towards the bottom meaning more errors or less errors?

POL00066545

A. More errors.

Q. So, no more Marks and Spencer's vouchers?

A. Not on that sir, no.

Q. As a result of you being told that Rugeley was beginning to commit these sort of errors in numbers, what did you do?

A. In what way, sir?

Q. Did you take steps to correct the position, or not?

A. What we started to do was I started to train Margaret up, Margaret Pearce, that is, on to the weekly balance in the Post Office. What we used to do, I used to get her to go so far with it and then I used to go and check it and then she'd check it again and see if we could cut the errors down. But there was so much paperwork in the Post Office, especially regarding car taxes, we used to check them but you can only check so many things – you'd make mistakes.

Q. Give us some idea, only some idea, as to the amount of paperwork that was sent to you from the Post Office.

A. Sent from the Post Office?

Q. Yes, for you to deal with.

A. To deal with?

Q. What volume of paperwork are we discussing?

A. Well, we used to get the product of the month, that is maybe two months or one month before the product of the month started, then we'd get a small booklet on it. Every week we would get an operational focus thing that they changed.

Q. I think that we touched upon that, did we not, a little earlier, with one of the witnesses?

A. Yes, and then you would get correspondence with your retail network manager and then any other correspondence in the Post Office, which, you know, was quite a lot.

Q. And this is all during the time that you are doing the other jobs that you have mentioned, keeping the Post Office working and ticking over?

A. Well, that's the main thing, I mean – no disrespect to the Post Office, but the main thing is to open the Post Office in the morning, get the people in, get them served and get them out.

Q. As sub-postmaster at Rugeley, what were your objectives? What were you trying to achieve, both for yourself, the Post Office and for your customers?

A. Well, for customers, creating an environment where they were happy to come in and be served quickly and promptly and courteously, and then regarding myself and when my ex-wife was there in the Post Office, it's creating sales, and that's what we used to have drummed into us. We used to have sales targets to reach.

MR COOPER: Your honour, I am conscious of the time but I am now going to move into the depth of bureau practice. If your honour would permit me, can we start that after lunch?

JUDGE WOOD: Of course, yes. (To the witness) You have heard me say this to many witnesses, Mr Page, but it is important that you also abide by the rule that you must not discuss your evidence with anyone and for that reason, not even your lawyers will be allowed to speak to you now. It is not that they are being rude or anything like that; they are just not permitted to. Members of the jury, we will break off now until 2.15 if that is convenient for you and I will rise.

(Luncheon adjournment)

(Discussion re timing)

MR COOPER: Mr Page, can I ask you about any guidance that you were given about what you should do as far as money laundering was concerned? You have heard the evidence that has been given. When you started at the Post Office, were you given any guidance about what you should or should not do?

A. Not at all.

Q. None at all?

A. No.

POL00066545

Q. Were you aware as time went on as to what your responsibilities, if any, were in relation to these positions?

A. No, but my wife, my ex-wife, was at Midland Bank and went to all the money laundering procedures because the banks tended to be more up to date than the Post Office.

Q. So, are you aware from your own knowledge whether your wife undertook, as you put it, any money laundering procedures? I do not mean criminal money laundering procedures, of course; I mean procedures in relation to money laundering legislation.

A. Yes, we had an old form and one of the forms that – one of the gentlemen that we did fill a form out for was GRO

Q. I am sorry, what was that again?

A. We did fill a form out for GRO the first time we came into the Post Office in 1999.

Q. And where was that form sent?

A. My wife looked after that. I presume it was sent to Chesterfield.

Q. That is a presumption you made because you say that is a matter that your wife undertook?

A. Yes.

Q. All right. We will come back to GRO a little later. Now, in terms of accounting and the procedure at the bureau, how did you go about it? We are talking now after Deborah left.

A. Well, it was the same as when Deborah was there. Are you asking the question as money comes in and what we did?

Q. Yes, just tell us what you did. What was the procedure, the practice, that you used?

A. Well, the money would come in from Hemel Hempstead and we would book it into the Ford money changer.

Q. Yes, as you told us this morning.

POL00066545

A. Yes. Failing that, we'd put it to one side and do it at a later date.

Q. We have heard aspects of evidence about cheques being kept to the end of the week or not being sent off on a daily basis.

A. Yes.

Q. You know that aspect of evidence?

A. Yes, I do.

Q. Did you always send cheques off on a daily basis?

A. On the clerk's side we did but no, not on the bureau side; we never did.

Q. Why not?

A. The reason why was because of the high amount of the cheque, we were sometimes worried about reversing the figures and making a mistake on the actual balance, on the actual bureau --

Q. Can you explain what you mean by that? Keep your voice up.

A. On a Wednesday evening we used to balance the bureau. There did not used to be that many cheques when we first started, maybe five or six, and maybe up to 10, 15 cheques a week and because of the cheques being of a high volume – not high volume, high amount – we were worried sometimes when we put them into the machine that we might reverse the figure.

Q. What do you mean, might reverse the figure?

A. Well, say, if it was 1121 we might put 1211 in.

Q. I see.

A. But with the high amount that Mr GRO used to do, £100,000, you might reverse the figure and it might be £10,000 or £15,000 out.

Q. Pause a moment. So, what did you decide to do?

A. We kept the cheques back until the Wednesday and that was from day one when we had the bureau.

POL00066545

Q. And what procedure did you take so far as the cheques were concerned on the Wednesday?

A. We would then put them into the machine and then we'd send them off on a Wednesday evening but the majority of time it was on a Thursday.

Q. Was this a procedure that you undertook purely in relation to Mr GRO's cheques or was it a general procedure?

A. A general thing we used to do with all bureau --

Q. I am sorry?

A. It was a general thing we used to do with all bureau cheques.

Q. Did you think you were doing anything illegal?

A. No, I was more worried about balancing the office to the correct amount.

Q. Let me ask you about the storage of the euros at the bureau. How were they stored?

A. The bulk was kept in the two main safes at the back and put on what I'd class as the AM stock.

Q. Put on what you would class as the?

A. AM stock, the manager's stock. That's the bulk cash, the bulk foreign currency, the bulk stamps.

Q. Let us take this loud and clear, Mr Page, please – loud and clear and as easy to understand as we can. So, AM, is that assistant manager?

A. Yes, it's when we took the Post Office over they had stock numbers 1 to 6 for the clerks. PH stock was just classed as philatelic, which was the outside vending machine. The BU is the bureau, which we set up, obviously for bureau reasons, and the AM stock was always there from when we took over. That was for assistant manager. You can call your stock units whatever you want, A, B, C, D or E.

JUDGE WOOD: Am I right in thinking that you had about nine stock units, counters 1 to 6?

A. Yes, nine, sir.

POL00066545

Q. Plus bureau, philatelic and AM?

A. Yes, sir.

MR COOPER: You say that you started storing bureau euros as AM stock?

A. In bulk, yes, because what we used to do, we used to sell them off if GRO had phoned up, and we'd sell them off there and then and keep them in storage in the back office.

Q. Can I ask you to do this. You are using loose language, "sell them off if" --

A. Yes.

Q. Be precise. Try and be clear and precise. You started storing the bureau euros as AM stock?

A. The bulk euros, yes.

Q. The bulk?

A. Yes.

Q. What do you mean by the bulk? Let us be clear what you are talking about.

A. The amount that GRO was purchasing, the most we could usually get was about 150,000 euros a day, so every day we used to get 150,000 euros in a day.

Q. Where from?

A. From Hemel Hempstead via a phone call.

Q. So when this, as you call it, bulk stock came in to Rugeley, what did you do with it?

A. We used to transfer it into the Ford money changer and then when Mr -- we used to then count it and put it into the back office and then we used to undo the packets they used to come into, count it up and leave it in the safe in boxes.

Q. And why did you store it as AM stock?

A. Because it was in bulk. Most of the time GRO had phoned up and asked us what euros we'd got in stock. I'd say, "Well, I've just received 150" or maybe, he may have phoned me two days after, "I've got 300,000 in stock", so what I would do then is sell it there and then

POL00066545

on the Ford money changer.

Q. But what was the advantage in storing bulk stock in the AM stock?

A. Because it's easier. It's easier for me to do accounting purposes because it was already sold and then when GRO used to come in, I could just give him the bulk currency and he'd write me a cheque there and then.

Q. Pause. So, it is already sold, as far as you are concerned, to GRO?

A. Yes.

Q. It is there, effectively, awaiting his collection?

A. That is correct.

Q. When did you start employing that approach? When did you start doing that?

A. When GRO started coming in buying large amounts of currency which, originally was Irish currency and Dutch gilders in 1999 and over a period of time these small amounts got larger and larger.

Q. Again, did you think you were doing anything wrong when you were doing that?

A. No, I was just trying to make the office more efficient because when GRO came in, the last thing you wanted to do was to keep him there for long periods of time while counting money out or, you know, undoing packets and everything, so we would get it all prepared for him. He might have three or four lots of 150,000 to pick up and he'd give me a cheque there and then for the full amount, hence four different days of transactions.

Q. We are aware of a visit on Friday 26 July 2002 by Mr Cartwright. Do you remember that?

A. Yes, I do.

Q. Where were you?

A. I was at the hospital because my dad had had a heart attack the night before.

Q. How did you become aware that Mr Cartwright was there?

A. When I came out of the hospital I switched my mobile phone on because you can't have it

POL00066545

on in the hospital, and there was a message there from Margaret Pearce to say that Mr Cartwright was there so I phoned the office and spoke to Mr Cartwright because the previous day the Orange people at Bristol phoned me up and said I've got too much money and would it be okay to come and collect it, and if my dad hadn't had a GRO I could have gone in Friday and got it sorted out.

Q. You remember, Mr Page, we are all trying to make a note of what you say. Try and slow down, if you can. So, you told us that your father had had GRO but you were asked to return some of the stock and you would have done so a little earlier had your father GRO GRO

A. I'd have been in on the Friday morning and got it ready.

Q. So, when you contacted Mr Cartwright, what did you say?

A. I spoke to him. He told me why he was in there, because there were concerns that the cash flow had arrived and there was no money to be picked up and he would – apparently the cash people in the van phoned head office who then got in touch with the Post Office who then got Mr Cartwright down there.

Q. Pause please. Did you go to the Post Office?

A. Yes, I went straight there.

Q. Did you see Mr Cartwright?

A. Yes, as I got there the money was actually being bagged up and I think they just finished putting it into the van.

Q. Did you speak to him?

A. Yes, I did.

Q. What did you say?

A. I told him why – he was concerned why the money hasn't been put up ready for collection, where I was and I explained the situation to him. He was happy with that. I then - he was happy

POL00066545

with the money that went out. I then did an office balance for him and I went through what was left in the office, fetched the AM stock and the bulk cash, stamps and euros.

Q. Pause there, please.

A. He took that copy away with him.

Q. And after you had done that from what he said or how he behaved, was he happy with what you said?

A. Yes, he was happy. I hadn't noticed anything to think otherwise.

Q. I am sorry?

A. I didn't think it were any otherwise.

Q. Margaret Pearce, you have told us, worked in your office for a period of time and you got on well with her?

A. Yes, I did, so much so that I trained her up and all aspects of her, what I knew, put her in charge.

Q. Just remind us again, what were her duties?

A. Like myself to serve on the counter, to serve the bureau and also manage the office and the day to day running and also collect all the figures for the office balance at the end of the week.

Q. She accepted this but let us be clear from you: is it right that she would sometimes finish off the cash account for you whilst you were doing something else?

A. Yes, she would.

Q. Who would prepare and assist you with the foreign currency side of matters?

A. Jane Batey – in the Post Office Jane would finish on a Wednesday morning serving, balance her own individual stock on the counter and then go and balance the bureau.

Q. On which particular day in the week was this done?

A. On a Wednesday.

Q. Was there any particular reason why it was done on a Wednesday?

POL00066545

A. Because that is the end of the cash account week.

Q. When you were getting the assistance of your staff, including Margaret Pearce or Jane Batey, did you have any reason to hide anything from them?

A. No, not at all.

Q. Did you hold any information or any dealings concerning bureau stock, for instance, back from them in any way?

A. No, not at all. Everything was in the office. The door was always wide open, the office was wide open. Anything went in the office, all decisions are made in that office especially after my ex-wife left. We used to have regular meetings and they knew exactly what was going on.

Q. Let me be clear about this: when did you usually bank the bureau cheques?

A. We put them in the machine the majority of the time – well, 99 per cent of the time on a Wednesday, or I'd do it first thing on a Thursday morning, see how busy we were and they would be despatched on a Thursday.

Q. Let me ask you a little about your area managers during the time that you were working at Rugeley. Who was your first area manager?

A. My first area manager was a lady called Kath Hatton.

Q. Kath Hatton?

A. That is correct. She was only with us for a couple of months. She was the one who interviewed me and my ex-wife, Debbie, when we went for the Post Office.

Q. And she was there for a couple of months?

A. As far as I understand, yes.

Q. Who took over from her?

A. It was a gentleman called Steve Edwards but he was only there for, I think, maybe four or five months.

Q. Four or five what?

POL00066545

A. Months.

Q. Yes, and who took over then?

A. Steve Geraty.

Q. Steve Geraty. Can you remember – maybe you cannot – when Steve Geraty took over, approximately, or not?

A. I'd say mid 1998, maybe before that because he was pivotal in me and my ex-wife getting the National Lottery and also the bureau because he could see that we were pushing sales and the sales and the transactions were going up and he was keen for us to increase the sales as in bureau and put into our office from an office that wasn't performing.

Q. What was that last bit again?

A. He was keen to put bureau and National Lottery into our office because we were trying to sell and were proactive in selling, and put into our office and taking away from other offices that wasn't performing.

Q. Let me ask you a little bit about your relationship with Steve Geraty. In a business sense, what sort of man was he?

A. In a business sense he wanted to push sales and he was happy for me and my ex-wife to push sales.

Q. How did that become apparent to you?

A. Well, we did used to do car taxes away from the office. We used to take the car taxes out and go to Bristol Street in Stafford and Newcastle-under-Lyne and we made him aware of that but he said, "Well, I don't want to know. If you get found out it's nothing to do with me" but he was more than happy for the sales to be put on.

Q. Pause a moment there. Let us understand what it was you were doing because you have mentioned car taxes. When you say "take them out" what did you do?

A. We would take tax discs away from the office every day, go to Bristol Street in Stafford

POL00066545

and write the car taxes out from there and fill them out and issue Bristol Street with the car taxes.

Q. So, effectively, instead of car owners having to come to the Post Office to do it, you were taking the service to the car dealers?

A. Yes, but also the car dealers would end up going to either Shrewsbury or another Post Office and doing it themselves.

JUDGE WOOD: Are you talking about Bristol Street Motors?

A. That is correct.

Q. Which presumably would sell cars?

A. Yes, second-hand ones, sir.

Q. Yes, so what would be happening, presumably, is that they would have a volume of business when customers were buying a car and they would be selling it as a taxed vehicle?

A. That is correct, or, you know, you buy a car and they'll tax it for six months for you.

Q. I quite follow. It is a very good selling point, and that would result in them needing to have tax discs, which, as you have said, they could have got from Shrewsbury?

A. Yes.

Q. But you were getting the work to Rugeley by going out to Bristol Street?

A. That is correct, sir, plus it saves one of their members of staff queuing up in a Post Office.

Q. Yes, quite. Is the need to go there so that you can look at their paperwork and identify the registration numbers of the vehicles and that sort of thing?

A. That is correct. The paperwork that we'd fill in and they would fill we'd have to then take it back to the office and we'd put that transaction through tills as if it was done at the counter.

Q. Yes, and Bristol Street would then presumably write you a big cheque?

A. They would, yes.

Q. For 20 tax discs, or whatever?

A. That is correct, yes.

POL00066545

Q. Would that happen weekly?

A. Every second day, sir.

Q. Really?

A. Yes, because of -

Q. So a number of times a week?

A. Yes, we were doing that for about two years until my ex-wife left and then I had no chance of going down to Bristol Street and doing it myself.

MR COOPER: And did you mention this to Mr Geraty?

A. Yes, Mr Geraty knew all about it. All the members of staff knew all about it.

Q. And what do you say Mr Geraty said to you when you mentioned it?

A. "As long as there's no comebacks and the Post Office don't know. If they do know, I don't know anything about it".

Q. Watching his back, sort of thing?

A. Correct.

JUDGE WOOD: As long as there are no comebacks to the Post Office, and I think you said, "I don't want to know", meaning that that is what Mr Geraty was saying?

A. That is correct. I think he was worried in case other postmasters realised that I was encroaching on that --

MR COOPER: Generally, your business relationship with Mr Geraty, what was it like?

A. It was good. We wanted -- the Post Office wanted to be like the heart of the community and everything and we had a local paper, the Rugeley and Lichfield Mercury, inside the Post Office behind the counter where the public would come in and pay for photos or correspondence or births and deaths and go to the local Post Office where the Mercury was and do all the transactions there rather than catch a bus and go into Lichfield and that was all done behind the counter.

POL00066545

Q. You mentioned the National Lottery in the Post Office. Was that in accordance with normal Post Office procedure?

A. It was, yes.

Q. Were there any other facilities provided in your sub-post office over and above the usual facilities?

A. We had a small room which we knocked through. We put an independent travel agent in there and that was greeted quite well from the Post Office because the travel agent would sell the holiday and they would come to us for the currency.

Q. Whose idea was it to do that?

A. That was myself and Debbie's.

Q. Was that strictly in accordance with what you should have been doing?

A. There may have been a problem with it because according to my lease I shouldn't have anybody apart from Post Office staff, or no sub-letting into the Post Office.

Q. Any other initiatives that you undertook?

A. I did things with the local schools, like pictures of fireworks, Christmas. We did letters to Father Christmas and myself used to write back to the children, and my ex-wife.

Q. You were Father Christmas, were you?

A. Yes, I've got the body for it, I am afraid.

Q. You have what?

A. The body for it.

Q. Indeed, you got the sack in the end as well, didn't you?

MR COOPER: I am sorry, your honour, I couldn't resist it.

MR JOHN: I am not going to get up this time.

MR COOPER: Back to more serious matters, Mr Page. Anything else? What about local newspapers and that sort of thing? Anything there?

POL00066545

A. Well, as I said, we had a local paper in there behind the counter and when the travel agent – the travel agent moved out because she was getting so busy she ended up buying a shop in the town and expanded from there. Then we had a disability unit in there where two people selling disability --

Q. Mr Page, it is entirely my fault. I am the one that should know it, but please, slower if you can. All right?

A. Yes.

Q. Disability stuff you were telling us?

A. Yes, there were two ladies selling disability products: wheelchairs --

Q. I am sorry, who was selling wheelchairs?

A. Two ladies in the Post Office.

Q. And was this in accordance with strict Post Office procedure, to be selling wheelchairs in the Post Office?

A. Well, I shouldn't sublet anything in the Post Office. That was part of my lease.

Q. Getting back to Mr Geraty, was he aware of this or not?

A. Yes.

Q. And what was his attitude to it all?

A. As long as it brings extra customers to the Post Office, as in footfall, there is not a problem, and we liked that because we had a retail side in there and the more people who come through the door into the Post Office, the more chance of them buying something from the retail side.

Q. Pause there. One of the matters raised against you, Mr Page, as well you know it, is your offering of preferential rates, as far as this trial is concerned, to GRO. You understand that, of course, do you not?

A. Yes.

Q. Did you ever mention the fact that you were doing this to anybody?

POL00066545

A. Yes, I mentioned it because when GRO first came in, he came in and asked me and my ex-wife what rates could we do better than what was printed on the board if he was buying a large amount. We asked Mr Geraty this --

Q. Pause a moment. So, what was it you said to Mr Geraty?

A. "We have a gentleman who wants to come in and buy a large amount of currency", at that time being Irish punts and Dutch gilders.

Q. Pause. Yes?

A. And what rate could we do better than what's on this standard rate given to the Post Office.

Q. Pause. Did he say anything back to you?

A. Well, the conversation we had ended up with him saying that as long as we did it in between the sale and buying rate, there wouldn't be a problem.

Q. Pause. Was there anything else said?

MR JOHN: I am sorry, can you wait? This is central. Checked up to here.

MR COOPER: I am sorry. I will pause a moment. Yes, and was anything else said?

A. Again, as long as there's no comebacks or the Post Office coming to us and saying, "What the hell is going on here", he had no problem with it, and that conversation took place not just with me but with my ex-wife.

Q. As a result of that, what did you do?

A. We started giving GRO preferential rates. I may add that we did start doing the bureau and we did want to seek permission from the area manager for me to do that, especially as far as we were concerned, he was like God, you know, whatever he said. He was God and whatever he said goes.

Q. Who?

A. Mr Geraty.

Q. So, having had that reassurance, what did you do?

POL00066545

A. We started dealing with GRO in 1999.

Q. How did it come about that you first met GRO?

A. He just came to the Post Office on the bureau side. I know for a fact that he spoke to my wife first, not me.

Q. When did it become apparent to you that he was offering you significant amounts of business?

A. Maybe after two or three months of him coming into the Post Office and started purchasing Punts and Gilders.

Q. When you became aware that he was offering you significant business, what did you decide to do? This is all predating the Geraty conversation but what did you decide to do?

A. In what context?

Q. He is offering you business. Did you decide to offer him preferential rates?

A. Yes, we started that straightaway and the more business he gave us the better rates he got.

Q. How did it come about that the subject of preferential rates was discussed between you and GRO?

A. The reason being that he said he could go elsewhere and get a better rate. He said the amount of our unit was going to offer the Post Office and I was under the impression that as long as I made on a Command 10 evaluation a profit, the Post Office were making a profit.

Q. So, when GRO said he could go elsewhere, what did you think?

A. Well, I wanted to keep him in the Post Office, a large volume of sales – well, not only him coming to the Post Office and making me money per transaction, whatever, however many times he came in, 50, 60 times, every six months or more than that, he was creating more volume for the Post Office.

Q. By offering him these preferential rates, what was it that you were hoping to achieve?

A. Well, I just said, GRO coming into the Post Office, I would get paid per

POL00066545

transaction but also create larger sales and volume for the Post Office and maybe when I did my evaluation at the end of the week, create a bit higher profit for the Post Office.

Q. Your next area manager was Jim Coney; is that right?

A. That is correct.

Q. He was involved at one stage with disciplining you, was he not?

A. Yes, that was after the audit in, I think it was July.

Q. 2002?

A. 2002.

Q. How did it come about, remind us, that Jim Coney disciplined you after that audit?

A. I was away on holiday and the auditors came in and they found that the office wasn't balanced over and the women had a limited knowledge on how to balance the office.

Q. And did he ask to see you on a pre-arranged appointment or something like that?

A. Yes, he sent me a letter and obviously the letter – I should think I saw him the following day or the day after.

Q. And we have heard from him as to the thrust of his meetings with you but from your perspective, were you offered any assistance?

A. Yes, he said I could – I asked him and we came to the conclusion that I should shadow another postmaster or branch manager.

Q. Were you enthusiastic or unenthusiastic about that suggestion?

A. Quite enthused – well, unenthusiastic to start off with but thinking about it, the office was in such a mess that I needed to, you know, get some expert advice from another branch manager or postmaster.

Q. Were you given that advice in the end?

A. No.

Q. Do you know why not?

POL00066545

A. No.

Q. The next person in that role, was it Mark Irving?

A. Yes.

Q. How long was he in that post for?

A. I think he arrived – it was from maybe October, November 2002. He only had it for a couple of months. I only saw him a couple of times, spoke to him a couple of times.

Q. So, Mr Geraty had spoken with you or you had spoken with Mr Geraty about a preferential rate issue and Mr GRO returns, no doubt?

A. That is correct.

Q. And do you say anything to him?

A. Well, I say that I have spoken to the area manager and we would give him preferential rates and then he started to come to the Post Office.

Q. You told us that the system you used was always to sell below the retail buy back rate.

A. That is correct.

Q. And your reasoning again for that?

A. It was to create a bit of a profit for the Post Office, which I was led to believe came under Command 10, the evaluation.

Q. When Mr GRO was coming in to begin with, did you say that he was buying punts and purchasing Dutch Gilders?

A. That is correct.

Q. Were they offered at a preferential rate?

A. Yes, they were.

Q. Did you, when you were developing this business relationship with GRO enquire as to anything about his business?

A. Well, over a period of time you'd get to find out by talking to him during the transaction

POL00066545

what he was doing and I found out that he was into recycling plastics, melting them down and making storage things out of plastics.

Q. Pause. Did you see any documentation from him at any stage?

A. Yes, he showed me a brochure and I think he brought a sample in as well.

Q. Did he tell you as to what parts of the world or what parts of the country he conducted business?

A. He did mention that he went to Dublin quite a few times and he had to go to Hull to the docks and he also said he went – well, obviously I thought he went into Holland and France, definitely Holland because of the Dutch gilders and Ireland because of the Irish punts but over a period of time he used to say he would end up going into France quite a bit.

Q. Did he tell you about who some of his customers might be?

A. Yes, he said Corus, and I'm sure it was BMW and Honda down in Swindon.

Q. In Swindon?

A. Swindon, yes.

Q. Did you have any reason to disbelieve him?

A. No.

Q. Did you think that he was in any way connected with Osama bin Laden, this man in Rugeley?

A. No.

Q. Or a henchman of Osama bin Laden? Did anything make you think that?

A. No, sir.

Q. Did anything make you think at all that this man was planning or funding an atrocity?

A. No, sir. He just seemed like a regular businessman.

Q. How often would he come into your Post Office on average roundabout this time?

A. Well, I think when he first started to come in, in 1999, he used to come in maybe once or

POL00066545

twice a week but over a period of time it used to end up being three, four and sometimes five times a week, but however many times he came in, his amounts of euros were getting larger and larger.

Q. Larger and larger? The amounts were beginning to increase?

A. They were, sir. I struggled to keep up with him.

Q. You struggled to keep up?

A. Because, as I said earlier, I can only have 150,000 euros at a time.

Q. Did you ask him as to why this was increasing?

A. He said he was getting busier. I had no reason to disbelieve him because, as I said, over the period of time he was getting busier and busier.

Q. Did he tell you whether he had different contracts in different parts of the world?

A. He may have done. I think he said he had some –

MR JOHNS: I am sorry I missed the answer because --

MR COOPER: Because you were objecting?

MR JOHNS: Because I was objecting and it was leading.

JUDGE WOOD: What you are giving us evidence about is what GRO said to you and you said, "He said he was getting busier" and then you were asked about whether there were any contracts elsewhere. What did he tell you, if anything, about that?

A. I think that he said something about a contract in America or South America.

MR COOPER: Did he mention any particular currencies that he was looking for?

A. No, euros – he did start asking me more about US dollars.

Q. The fact that his business and the quantity of his business was getting larger, did this cause you any suspicion or concern?

A. No, not really. The only questions I asked were to GRO direct. I did when he first came in ask the police over the road if they knew of him.

POL00066545

Q. Pause there. When you say that you asked the police over the road, what do you mean by over the road?

A. Well, the police station is directly opposite the Post Office and I had a good liaison with the police because they used to come into the Post Office and find out what Giro cheques are being issued to people sometimes because of – or what's been stopped.

Q. Did the police know of your former working relationship with Special Branch?

A. They may have done, sir.

Q. And when did you speak to the police in passing about GRO?

A. I think when he had first come in or definitely when he started buying euros. I think it may have been more the beginning of 2000 or 2001 with the euros he started coming in.

Q. What did you say?

A. I just asked them if they knew a GRO who I knew lived at the top end of Rugeley and he had a company which was registered down the road, the industrial estate, and they didn't know him or anything untoward about him. I presume they would have found out anyway. I mean, I asked the officer in charge over there, so he would know anyway.

Q. Who was that, can you remember?

A. I think it was PC – there's PC Leigh and there's another Leigh who was the officer in charge.

Q. At the time?

A. At the time.

Q. And were you given any reason to believe there was a problem with Mr GRO

A. No, not at all.

Q. When you say that he lived at the top end of Rugeley, how were you aware of that?

A. I just knew he lived at the top end of Rugeley.

Q. How?

POL00066545

A. He may have told me about it, sir.

Q. And for those that do not know Rugeley, is the top end – what sort of a --

A. Affluent area, sir.

Q. So, nothing at all as far as you are concerned in the way that --

MR JOHN: This is --

MR COOPER: This is hardly leading. I think we have established it but I will put it in the question. So, given all that you have told us, was there anything that in any way caused you concern?

MR JOHN: That is really leading, very leading.

MR COOPER: Your honour, I think --

JUDGE WOOD: I think that the question is possible.

MR COOPER: Were you suspicious of GRO given all that you had learned?

A. No, sir, not at all.

Q. Given that these transactions were large transactions by all accounts, did you think that there were certain procedures in terms of where and when these transactions were to take place that should be employed?

A. As he came in and buying larger amounts and he was there first thing in the morning and he started to say that he had to go and travel and (inaudible) the traffic, I suggested that he come in a bit earlier because I sometimes used to get there maybe six or half six in the morning.

Q. Pause. I should ask you: why was it that you got in at six, half six in the morning to work?

A. Because we didn't have the luxury, and definitely when my ex-wife left, of keeping so many staff there so I had to do other jobs before that, as in balancing, or do some paperwork before the office opened until the first opening.

Q. What were your average hours of working?

A. About 80 a week plus Sundays, and that will be going to cash and carry for the retail side at

POL00066545

least one other time in the week at night.

Q. So, you set a time, as it were, an approximate suggestion of a time so that you and GRO could conduct business. Let us be clear about it; why was that?

A. Well, I made sure that he came in roughly, maybe, 15 minutes, half an hour, before we opened up.

Q. Why?

A. Because I didn't want anybody to see the large amounts of euros or foreign currency he was purchasing.

Q. Why?

A. Because it's a security issue.

Q. What do you mean by a security issue, in normal terminology?

A. If you are that way inclined and you see somebody putting a large amount of euros in an old holdall and walking out with it, it only needs one or two people to go up to him and he hasn't got much chance.

Q. I understand. In terms of your transactions with Mr GRO, did you make any attempt to hide them from anyone?

A. No, sir.

Q. Apart from those that may want to steal the money from him that you have just told us about?

A. No, not at all, sir.

Q. How did Mr GRO pay for this currency?

A. GRO paid the majority of times by cheque. Sometimes, I think it may be two or three times, he paid by cash as well.

Q. Pause, please. You say two or three times by cash?

A. That is correct, sir.

POL00066545

Q. Can you remember what sort of quantity of money?

A. No, not at the time. Not now – I can do now, sir, because it's gone through as in the trial but if you had asked me maybe before I got arrested no, but it was 10,000 and 5,000 lots.

Q. We will come to your interviews in due course, Mr Page, but generally, at the time of your interviews when Mr Patel was interrogating you, did you have your own documents in front of you or anything to check your figures?

A. Not at all, sir.

Q. None at all?

A. No, sir.

Q. Did you have any agreement with Mr GRO to hold back his cheques in any way?

A. Not at all, sir.

Q. So, why again, and let us be clear about it, were bureau cheques sent out on a weekly basis?

A. The cheques were sent out on a weekly basis. All bureau cheques were sent out on a weekly – the cheques were sent out weekly, so it made it easier for me to balance the bureau.

Q. Did you have any agreement in any way whatsoever with GRO to do this?

A. None at all.

Q. Did the way you were conducting that business in the Post Office, was it guided by any agreement with GRO?

A. Not at all, sir. In fact, once when we got audited when my ex-wife was there, they just came in on a Thursday morning and the cheques were still there ready to go and they asked us why that was and we said, well, we told them the reason why and they thought it was quite a good idea, even though it's not Post Office procedure. They could understand the reason behind it.

Q. You have told us that you offered preferential rates, and we know it, to Mr GRO Did you offer any preferential rates to anyone else?

POL00066545

A. Yes.

Q. I am not asking for names but how many people, what sort of people?

A. There was a company in Stone where I knew the MD and he had salesmen going abroad all the while and I gave them preferential rates on mainly, well US dollars because he ended up going to the Middle East and the Far East.

JUDGE WOOD: This is what company?

A. Fairey Industrial Ceramics, sir.

Q. Fair?

A. F-a-i-r-e-y Industrial Ceramics. That was owned by Rolls Royce. I think that it no longer exists now, sir.

MR COOPER: I do not want to do a trawl through all the names but you offered them to Mr GRO and other individuals, other companies?

A. Yes, there was another individual who had a coach party going to Holland maybe once or twice a year and I gave him preferential rates as well because he would come in for 50 lots of currency.

Q. We are aware that the preferential rates you were offering to Mr GRO were larger than you were offering to other individuals.

A. That is correct, sir.

Q. Why?

A. Because of the amount of volume he was giving me I think he – well, I thought the amount of volume and he was coming in with the currency, he should get a better rate and the Post Office, because of the volume of euros being transacted, would make a better profit.

Q. Again, let us be clear about this, Mr Page. In doing all that, did you think that you were doing anything criminally wrong?

A. No, sir. I had been doing this since 1999.

POL00066545

Q. How much were you personally gaining from it, approximately, not so much in money but a lot, a little or nothing?

A. He used to come in maybe two, three or four times a week and I'd get one pound, I think it's 16, maybe more than that, per transaction and at Christmas he used to give us some bottles of wine. We just used to share them between the staff.

Q. So, why were you doing it?

A. Because I wanted the Post Office to see that there's large amounts of euros and foreign currency being sold in my office and making a profit.

Q. Why was it that you wanted to impress your superiors in such a way?

A. Because I'm doing a good job.

Q. Were you contacted in due course by someone called Lawrence Hutchins?

A. In – I think it could have been mid December, sir.

Q. Did he ask you about large quantities of euros being sent to Rugeley Post Office?

A. No, what happened, sir, is that when I spoke to Hemel Hempstead about ordering all this currency week in – day in day out, I asked if there was any chance we could have it one big delivery once a week which would save the Post Office money.

Q. And what was Lawrence Hutchins contacting you about?

A. Well, I asked him to – I left a message on the Hemel Hempstead board, which we ordered the foreign currency from, for him to phone me up.

Q. And did he?

A. Yes, he did, sir.

Q. And what did you say to him?

A. I asked him if we could have large amounts sent in once a week rather than daily and he said he was looking at that already.

Q. He said what?

POL00066545

A. He said they had started to look at that already, especially the amount of euros that we were purchasing.

Q. Were you told by him or warned by him in any way that what you were doing was wrong?

A. No, he asked me who the customer was. I said I had a customer and I classed, wrongly or rightly, Mr GRO as a corporate customer.

Q. You did what?

A. I classed Mr GRO as a corporate customer rather than, I should have said, a business customer.

Q. Pause. This is what you said to Lawrence Hutchings, is it?

A. That is correct.

Q. You say that you classed Mr GRO as a corporate customer rather than a business customer. What do you mean you classed him as such?

A. I said a corporate customer. Well, he wasn't officially a corporate customer. He was, I would say, a business customer.

Q. And again when you said this to Mr Hutchings, did he say anything back to you?

A. I think I recall him asking, has he been checked out for money laundering.

Q. And what did you say?

A. I said, "Well, he's been coming in for so many years I've got no need to and when we first started or when he first started coming in, we did all the necessary procedures then".

Q. I should ask you this, a totally separate question. We have heard of a Mr GRO who was arrested – I do not think it is in dispute. He was Mr GRO's driver, was he?

A. As far as I know. I don't know.

Q. Did you ever meet this man?

A. I never met him, no.

Q. Or had any contact with him?

POL00066545

A. No, I didn't even know he had a driver. He never was there when I was there.

Q. Now, you have told us about seeing Mr GRO the Post Office. Did you ever speak to him on the telephone?

A. He used to phone me up at work or on my mobile number or I'd phone him back. He'd just want to know how many euros we'd got in and when he could come and collect them.

Q. Pause. And on average, how long did the phone calls last between you and him when he was asking about whether there were any euros in the office and whether he could come and collect them?

A. I would say no more than between 30 seconds and a minute, sir.

Q. Did you have any other relationship with Mr GRO apart from him ringing up, "Are euros in?" and then in due course coming to collect them?

A. Not at all, sir.

Q. Did you ever socialise with him?

A. Never.

Q. Did you ever have light hearted or social telephone conversations with him?

A. Never, sir.

Q. You have told us that when he would ring you, you would record the transactions on the Ford money changer. Would he always come in immediately to pick up his money?

A. No, sir. He'd phone me up – he'd either phone me up and I'd say if I had some in stock or if I had some being delivered knowing Mr GRO would pick it up, I'd sell it there and then and keep it in the back office.

JUDGE WOOD: I am sorry; I hope that it will help the jury if I ask you to take it back a stage. In the standard GRO transactions you told the jury just now that he would phone up and say, "How many euros can you let me have?" something like that?

A. Yes. That is correct.

POL00066545

Q. So, with a conversation beginning like that he would be telling you who he was. You would probably recognise his voice. He would be saying, "Can you tell me how many euros I could collect tomorrow?" or "how many euros can I collect today?", something like that?

A. Or how much have I got in stock.

Q. What quantity?

A. Yes.

Q. How would the conversation then go in the standard transaction?

A. He would ask me how many euros I'd got.

Q. What would you then do or say?

A. I would roughly know on the top of my head how much we had in; sir.

Q. So you would say, because you had known what deliveries had come in in recent times since his last purchase?

A. That is correct.

Q. You would say the amount?

A. That is correct.

Q. Let us call it 200,000?

A. Yes.

Q. You would say the figure?

A. Yes, because I had probably already sold it, already sir, in the safe.

Q. I did not understand that answer nor hear it properly. You told us that you would tell him that there was 200,000?

A. Yes, or whatever, sir.

Q. Whatever the figure was?

A. That is correct.

Q. Let's call it 200,000.

POL00066545

A. That is correct.

Q. What would be said or done next?

A. He would ask me or I'd ask him when he was coming in and he'd tell me when he was coming in next, sir.

Q. And in the normal transaction, what would he say?

A. He would ask me how many euros I'd got.

Q. We have got that far. You said 200,000.

A. And maybe what rate, sir.

Q. Well, I will write that down. Would you know that off the top of your head?

A. Yes, sir, because I would have known how much had come in but, as I said, if he hadn't phoned for a couple --

Q. Can I just write that down. "I would know that off the top of my head"?

A. Yes, sir.

Q. And then we will do the next bit. So, you would tell him?

A. Yes, sir.

MR COOPER: Would your honour bear with me?

JUDGE WOOD: If you would like to take over, fine. I am just concerned --

MR COOPER: I am sorry.

JUDGE WOOD: No, no. I did not mean that in any way sarcastically. I am simply concerned that the exact steps taken at this stage are not clear to me and I do not think they can be clear to the jury and they may be important.

MR COOPER: I totally agree. I am more than content for your honour – it is just that when he said he knew the rate he was about to say why he knew the rate and I thought perhaps whilst it is in that part of his evidence he could say why.

JUDGE WOOD: Yes. "I would know that off the top of my head".

POL00066545

A. How much euros were in stock, sir, and the rate – he would ask me what rate he would get. And the rate I would give him would be either I took off the invoices coming from Hemel Hempstead or off the Ford money changer because I've already sold it ready for him to collect, sir.

JUDGE WOOD: I have written that down and I think it probably would be best if you proceed. "I would take the rate off the invoice from Hemel or from the Ford because I had already sold it to him". That is the end of my note.

MR COOPER: I am grateful, your honour. (To the witness) When you got those details and gave him the rate, was that the end of the transaction?

A. The telephone conversation?

Q. The telephone conversation.

A. Yes, sir.

Q. How would it end?

A. He'd tell me when he was coming in.

Q. He would tell you when he was coming in?

A. That is correct.

Q. And on average, when would he come in?

A. Sometimes three times a week, four times. Sometimes maybe once or twice. He'd call me and -

JUDGE WOOD: I think what Mr Cooper wanted to find out is when he would come in in relation to the moment when you put down the phone.

A. Maybe the following day or a couple of days after; maybe longer than that, sir.

Q. "He'd tell me he was coming in, maybe the following day"?

A. Maybe two or three days after, sir.

Q. Maybe two or three days after?

POL00066545

A. Or, if he was away in France, it could be longer than that.

MR COOPER: How did you treat the currency that had been sold to him, effectively, over the telephone?

A. I left it in the bulk stock in the safe and classed it in the AM stock.

Q. Why?

A. Because it was easier to account for it because it was already sold.

Q. So, although you had sold the stock, it would be accounted for in the AM stock?

A. Yes, sir, if he hadn't come in at the end of the financial week.

Q. When you were calculating your figures at the end of the week, or whatever, how did you account or where did you place this money?

A. In the AM stock, sir. It was counted at the end of the week by myself and Margaret Pearce, because we used to end up having large amounts of euros in stock.

Q. We have heard a little about foreign currency in hand. Yes?

A. Yes.

Q. That particular category.

A. That category is on all stock, sir.

Q. On all the stock?

A. Yes.

Q. What did you place in foreign currency in hand?

A. In the bureau the foreign currency and the AM stock, the bulk bureau money, the bulk foreign currency.

Q. Keep your voice up. So, this was a category generally created, foreign currency in hand?

A. It's on all stock, sir.

Q. Can I ask you to look, please, at a document in the jury bundle at page 1129.

A. Yes.

POL00066545

Q. Do you have that, Mr Page, 1129?

A. I am just trying to find it.

Q. Take your time.

A. Yes.

Q. You are familiar, as we all are, with this schedule which Mr Patel spoke to. Yes?

A. Yes.

Q. Let us re-familiarise ourselves with it. We see there at week number 18 the payment back, it seems, of £160,000. Is that the Cartwright incident?

A. That is correct, sir.

Q. And as we cast our eye down these figures and we see the inflation figures there, week 22, £188,000; week 23, £198000 and over the page 190, 197?

A. Yes, sir.

Q. 197, and so on and so forth?

A. Yes.

Q. We see the inflation figure growing as recorded on that schedule. Do you have an explanation for that?

A. It's the figure that's in the AM stock, sir.

Q. It's the figure in the AM stock that you told us of a moment ago.

A. That's correct, sir, the bulk foreign currency.

Q. What I want to ask you is why are they rounded figures?

A. I used to round them up or round them down because -

Q. Take it slowly, please.

A. Because the AM stock was the last stock we used to balance and if the office was a surplus or a shortage, mainly we used to be a surplus office, I used to round it down so if it was, say, £450, I'd round the foreign currency down from, say £188,500 down to 188 -

POL00066545

Q. Now, Mr Page, please slow down. Whilst it may be all familiar to you, rest assured that it is not to us.

JUDGE WOOD: My note so far reads, "The inflation figure is the amount in the AM stock. We used to round the figure down. If we were, say, £450 up, we would round down the foreign currency".

A. Yes, or round up if I had a shortage, my Lord.

MR COOPER: Why would you round up or round down? Why not put in the precise figures, Mr Page?

A. Because, as I said, we -

Q. Slowly.

A. We ended up most of the time having surplus cash when we used to balance and obviously I didn't think that was correct, so we used to round it down so I made sure that the office would fit 200, £200.

Q. When you ended up with a surplus why did you think it not correct?

A. Well, because in the Post Office you would end up making mistakes unless you were in deficit rather than profit. Obviously, somebody hasn't given somebody some money somewhere.

Q. So, you found figures, you say, that did not calculate as you felt they should?

A. That is correct.

Q. So you would round it up or round it down for what reason?

A. To make sure that the office balanced roughly a couple of hundred pounds up or down.

Q. Do you think that that's a particularly scientific way, now it's been analysed with schedules and documents over the past few weeks to go about your affairs?

A. No, sir.

MR COOPER: Your honour, I am conscious that Miss Nicholls has passed me a note saying that her client requires a short break. I am in your honour's hands.

POL00066545

A JUDGE WOOD: He is very welcome to take a short break, but the evidence will proceed.

MR COOPER: So be it, your honour.

MISS NICHOLLS: I am obliged, your honour.

B MR COOPER: (To the witness) It is suggested, Mr Page, that the inflation of these figures was a carefully calculated method by which you were thieving from the Post Office. You understand that, do you not?

A. Yes, I do, sir.

C Q. That you had this sophisticated method whereby you would take and, indeed, did take, £282,000, we assume in sterling, from the Post Office. Did you?

A. No, sir. I would never take anything like that. I'm not a thief.

D Q. In all your life have you ever broken the law or stolen money?

A. No, sir.

Q. You became aware, did you not, on 13 January 2003 that the authorities wanted to speak to you?

E A. That is correct, sir.

Q. Is it right – I am sure that there is no dispute on this – that you received a telephone call from the police?

F A. Yes, about eight o'clock that evening.

Q. On 13 January 2003?

A. Yes, between half past seven and eight o'clock, sir.

G Q. And you were asked if you could come round to Stratford Police Station. Is that right?

A. That is correct, sir.

Q. And did you go?

A. Yes, sir.

H Q. Were you told why, at that stage, you were required to go to Stafford Police Station?

POL00066545

A. No, sir. I thought it may be something to do with the police may have some intelligence that the Post Office might be targeted or me individually targeted being a postmaster.

Q. When you arrived at the police station were you arrested?

A. Yes, I was, sir.

Q. And in short how did you feel about that?

A. I was – to say shocked, sir, is an underestimate. I was stunned.

Q. And you were interviewed. We have seen the interviews, have we not?

A. Yes, sir.

Q. We have gone through the interviews together in this court. To begin with you were not represented by a solicitor. That is right, is it not?

A. That is correct, sir. I was cautioned and they said did I want a solicitor and I said "Just interview me because I want to get this sorted out". Obviously, I thought there was a misunderstanding somewhere.

JUDGE WOOD: Do you want the witness to have a bundle of the interviews?

MR COOPER: Yes, I'll just get them in front of me, your honour, thank you.

JUDGE WOOD: I am just looking so that we can see exactly the words used.

MR COOPER: Thank you, your honour. (Same handed) Do you have those interviews in front of you, Mr Page?

A. I do, sir, yes.

Q. If we look at the very first page at tab 1 of those interviews we see there the officer, DC Andrews saying to you in the middle of that page: "You are reminded that you are entitled to free and independent legal advice and the interview can be delayed for this if necessary. Do you wish legal advice at this time?" and you say no. That is right, is it not?

A. That is correct, sir.

Q. And the officer quite properly reminds you that you were entitled to legal advice including

POL00066545

speaking to a solicitor by telephone. "Do you wish to do so?" and you said "No thank you". Did you not?

A. That is correct, sir.

Q. Over the page the officer says, "What are your reasons for not wishing legal advice?" and you reply, "Because I need to know what I've done, actually, before I do anything" and then you confirm again that you are happy to be interviewed. Is that right?

A. That is correct, sir.

Q. Did you at any stage at that point know the thrust of what was being alleged against you?

A. Not at all, sir.

Q. Did you have anything that you instinctively wanted to hide from the police or the authorities at that stage?

A. Not at all, sir.

Q. Did you at any time during your interview with the police want to hide the fact through guilty knowledge, for instance, that you knew Mr GRO?

A. Not at all, sir.

Q. For instance did you at any stage during those interviews think that what you had been doing with Mr GRO was wrong and you should keep him quiet?

A. No, sir. As I said earlier, I'd been dealing with him since 1999.

Q. Let us look at little at your attitude there in terms of how you approached it. If I look at page 4 of the interview at tab 1, is it you that first brings up by looking at that interview the subject of Mr GRO?

A. I think that's the case, sir, yes.

Q. At the bottom, let us look at what you say. You are asked the question, "What time do you normally" – right at the bottom of page 4 – "What time do you normally open up in the morning?" That is the question you are asked, is it not?

POL00066545

A. That is correct.

Q. And you give the answer, "It ranges from seven o'clock to sometimes, I'm in at 5.30, six o'clock. The latest I'm here it's been seven o'clock from seven to 7.45". That is the question the officer has asked you, is it not?

A. That is correct, sir.

Q. But do you go on to volunteer this? "Usually I like to open up early because we have a gentleman who comes and does foreign currency and I open up for him because he has, like, a foreign currency office". Do you volunteer that?

A. Yes, sir.

Q. Did you have anything to hide with the police about Mr GRO?

A. I've got nothing to hide about anything, sir.

Q. Were you trying to keep the subject of Mr GRO off the agenda when you were first interviewed?

A. No, sir.

Q. Did you have any reason to think that by raising the issue of Mr GRO it would be getting you in trouble?

A. No, sir.

Q. In between some of these interviews, or even before, perhaps to be more precise, your office is searched, is it not?

A. I presume, well I was under the impression it was searched that evening, sir.

Q. That evening, but you were not there, were you, because you were in police custody?

A. I was in police custody. I wasn't there since Monday afternoon, sir. I had a prior engagement, so from Monday afternoon I wasn't there.

Q. Did you in any way attempt to frustrate the police or any of the prosecution authorities in their investigation into the Post Office?

POL00066545

A. No, sir, they said they were going to go to the Post Office and the following morning they wanted to search my house which I shared with my wife, well, now wife, Rachel. I then volunteered the fact that from the previous house I had some property in storage and I gave them the address and phone number of what was in storage in case they wanted to look at that.

Q. Pause there. So, above and beyond everything else we know about, about your financial documents being investigated and so on and so forth - they had access to your home?

A. That is correct, sir.

Q. You told them, you volunteered, that you had certain documents and possessions in storage from a previous house and gave the police access to that?

A. Yes, sir. Well, not documents, just like furniture and things like that.

Q. But volunteered that information?

A. Yes, sir.

Q. In terms of telephone details did you hide or volunteer documentation or access to documentation?

A. No, after the second interview on the 14th or the interview on the 14th they asked for my documents (inaudible) the bank and my mobile phone and the following day PC Deans and Andrews came to my house and I gave them all the documents that I had and also I phoned Orange and they were going to forward me the last 12 to 15 months of telephone records, plus BT.

Q. So, above and beyond what the police got, you contacted Orange yourself to supplement that?

A. That is correct, sir, and BT, sir.

Q. Did you in any way attempt to frustrate or hide anything from this investigation?

A. No, sir.

Q. Is there anything at all that you have not declared to the police or the authorities so that

POL00066545

they may transparently investigate your affairs?

A. No, sir.

Q. Have you received any, for want of a better expression, backhanders from Mr GRO

A. No, sir, or anybody else. I wouldn't do that.

Q. Have you hidden away – and that is about as precise as it can be put – anywhere any gains that you have illicitly made from dealing with Mr GRO?

A. No, sir.

Q. Do you live in a particularly lavish or luxurious lifestyle?

A. No, sir. I'm now a bankrupt.

Q. You are a bankrupt?

A. Yes, sir.

Q. Why are you bankrupt?

A. Because I put the Post Office up for sale after I was sacked and the money from that would have gone to paying the loan off that I had on the Post Office plus other things, customs and income tax and other things, but because the Post Office was sold without me having any money at all, I'm bankrupt. I couldn't afford to pay the loans off and the business loan is now a second mortgage on my house and my house is now negative equity. My solicitors from when I got arrested, who represented me, I still owe them money and that's got what I think is classed as a penalty on my house as well when I sell it.

Q. Effectively, you bought this particular lease, did you not, for £102,496?

A. That is correct, sir.

Q. Did you get any of that money back?

A. None at all, sir.

Q. Why?

A. Because they said that I didn't sell it in time. I was only given three months, sir.

POL00066545

A Q. The Post Office gave you three months to sell it?

A. Yes.

Q. They said that you did not sell it in time?

B A. But I had a buyer the day before, the Friday before I was due on the Monday but they just ignored it, sir.

Q. You told them that you had a buyer, did you?

A. Yes, they had e-mail and a fax, sir.

C Q. But nonetheless they sold it and did not give you the money?

A. That is correct, sir.

Q. So you lost £102,496?

D A. Plus negative equity on my house, second mortgage and everything else, sir, that goes with it.

Q. Just look: is this the invoice for which you bought the Post Office for, so that we are clear on how much money you have lost?

E JUDGE WOOD: Do you want the jury to have this?

MR COOPER: I do, your honour. I have copies. If Mr Page could identify it first.

JUDGE WOOD: What do you suggest about exhibits and numbering, and so on? It may be that

F you would like time to think and work it out, but it would be helpful if we know where it goes; it is kept by the jury so that if we want to refer to it we know exactly what it is.

MR COOPER: Can I for the time being -

G JUDGE WOOD: You keep your copy but what would be good is if it goes in the – there should be a black -

A. Yes, it's all loose, unfortunately.

Q. It is not your job to reorganise the clerical work in the court but it may as well go in that for

H now.

POL00066545

MR COOPER: Thank you, your honour. Can I suggest that it goes in the defence bundle?

JUDGE WOOD: Yes.

MR COOPER: I have copies for your honour and the jury.

JUDGE WOOD: Fine. Usher, could you just pass it all to Mr Page and then you would deal with what Mr Cooper needs doing?

MR COOPER: Thank you very much. This is for his Honour and then for the jury, please.

(Documents distributed)

JUDGE WOOD: Provided you have the right document in front of you at the moment we can all get on, and that is the Post Office invoice, £102,496.

MR COOPER: Thank you. (To the witness) Lest it be suggested, Mr Page, that in some way you have been receiving money in backhanders and secreting it into something secret – I do not know whether that might be suggested to you but your position as you tell this jury and his Honour is that as a result –

MR JOHN: I am sorry, that is leading. My learned friend has got a great deal out of it already.

JUDGE WOOD: Yes, the question should be, "What is your position?"

MR COOPER: Your honour, I am sorry. For once, I agree with the objection. (To the witness) How long have you been a bankrupt for?

A. Since last year, sir. I tried to put it off for as long as I could but I just couldn't.

Q. Going back, please, Mr Page, to your interviews, during the course of your interviews you are asked questions by Mr Patel.

A. The second interview was that, sir?

Q. And onwards, as it were. I am not asking you anything specific at the moment.

A. Yes.

Q. When you gave answers to Mr Patel on certain details of calculations and about cheques, were you doing your best to help him or were you hiding anything?

POL00066545

A. I wasn't hiding anything, sir. I was doing my best to help him. It was a voluntary interview.

Q. During the course of that interview, and you have already told us the first time in this series of interviews that this series of interviews was the first time that you had been interviewed by the authorities, how were you feeling?

A. Pretty scared, actually, sir. I have been scared but this was a different kind of -

Q. A different sort of scared?

A. Yes.

Q. Just to be clear about that so that there is no confusion, when you say that you have been scared, what do you mean you have been scared?

A. I have been in situations, sir, that are pretty scary.

Q. You mean in your army experience?

A. Yes, sir.

Q. But this was a different sort of scared?

A. It's something I wasn't trained for. It's a bit different.

Q. You were answering questions. You chose to answer questions; is that right?

A. That is correct, sir.

Q. And you were aware, were you not, that you had a right to remain silent?

A. That is correct, sir.

Q. Why did you choose to answer questions or attempt to answer questions?

A. I was just trying to be helpful, sir; just trying to sort the problem out. I still didn't know what I had supposedly done wrong.

Q. At one stage during the course of your interview, you asked Mr Patel whether all this is coming down on top of you because someone has complained that they are not getting the same preferential rates as Mr GRO. Do you recall?

POL00066545

A. Yes, sir. That was the first interview with Mr Patel, I think.

Q. So, that is what you thought this was about, someone saying –

MR JOHN: That is leading.

MR COOPER: Your honour, I will put it another way. (To the witness) So, when you said to Mr Patel, asked him whether all this was about someone else complaining that they were not getting the same rates as Mr GRO what was it that you thought you were doing wrong?

A. I thought that because I was given preferential rates someone else must have been complaining about it.

Q. Did you think (a) "I shouldn't be offering preferential rates or (b) I'm in trouble for not offering it to other people"?

A. Probably both.

Q. Probably both. During the time that you were being interviewed by Mr Patel in a long series of interviews, and his Honour and the jury have agreed, pertinent summaries of them, but during that time, were you in any way trying to deceive him or intentionally mislead him?

A. No, sir. I was trying to be helpful, try to maybe give him solutions or maybe answers to questions that he was asking me.

Q. Did you think that you had an option one way or another to answer questions or not answer questions?

A. I just wanted to be helpful and answer questions, sir, to the best of my ability.

Q. There are some questions about £278,000. Do you recall?

A. Yes, sir, regarding the three cheques.

Q. Yes, you were asked in detail about that by Mr Patel, were you not?

A. That is correct, sir.

Q. Why did you put forward the explanation that you did within those interviews about that sum?

POL00066545

A. The reason being that before the interview was taking place, I was made aware of the shortfall of £282,000 in the Post Office and I came to the conclusion that that cheque must have something to do with it and I must have given Mr GRO the euros on that cheque.

Q. So, you are told, quite properly, sir, before you go in that questions would be asked about £282,000. You were aware of the £278,000.

A. I just put two and two together and I thought that may be the solution, sir.

Q. When you say that you just put two and two together, just before the interview started, do you accept now that you made four or 44?

A. Probably 44, sir, because I didn't have the full facts in front of me that Mr Patel had. I was just being given schedules and everything else put in my face and I had to answer as best as I could.

Q. Had you had a chance before Mr Patel was showing you his schedules to sit down as he had no doubt done to consider them?

A. No, sir. I had nothing at all.

Q. To refresh your memory as to transactions that had taken place?

A. Nothing at all, sir.

Q. Did you have any idea at the time of your interview how on earth you could have stolen £282,000?

A. No, sir – not – just knowing that I didn't steal £282,000, sir.

Q. There came a time when you were asked by the Post Office to return certain moneys, £8,000 odd or something like that; is that right?

A. Is that regarding the audit, sir?

Q. Yes. Is that right?

A. Yes, that is correct, sir.

Q. Did you?

POL00066545

A. Yes, sir but when I balanced the office the following week it wasn't £8,000; I think it was more like just under £2,000 because when I was audited --

JUDGE WOOD: I am sorry; I am going to ask you to slow down. "I was asked to return the £8,000 following the audit".

A. Yes.

Q. "When I balanced the office the following week" --

A. Yes, sir.

Q. Please proceed.

A. There was a shortfall of just £2,000, sir, because in between the audit and I balanced the office the following week, that's when I had my interview with Jim Coney and he wanted to know, to let him know what the shortfall was and I said "I couldn't tell you until I balance the office myself the following week."

MR COOPER: And what did you do?

A. I put the money in, sir.

Q. What money?

A. The shortfall of just under £2,000.

Q. From your knowledge of working at the Post Office, if you had not have paid that, would they have come asking for it?

A. Yes, sir.

Q. Have they ever come asking for it?

A. No, sir. I would have put it in, sir, I know, because after having an audit like that I was under the impression that I'd probably get an audit straight after.

Q. Has it ever been suggested to you in correspondence or otherwise by the Post Office that you had not paid it?

A. No, sir.

POL00066545

Q. Can I just move away from the interviews a moment, Mr Page, and ask you about an incident when Mr GRO came into the Post Office on 3 January 2003 and discussed with you the subject of three cheques? Do you know the area that I am asking you about?

A. Yes, sir.

Q. Did he?

A. Yes, sir.

Q. Slowly and clearly, explain to his Honour and the jury what happened.

A. Mr GRO came in and said there may be a problem over three cheques over the Christmas period.

Q. Pause. Yes?

A. He said that because the people he was working for, ie Corus or BMW and the Christmas period coming up as it did, the money wouldn't come through to his bank account.

Q. Pause a moment. Carry on.

A. So, he gave me a cheque to cover, one cheque to cover those three cheques.

Q. When he did that, what did you think?

A. Well, first of all he was honest enough to tell me that he might have a problem with those cheques, but I wasn't worried too much about it because Mr GRO had been coming in, as I said, for many years and never had a problem before, and also I had nobody from the Post Office to phone me up saying there's a problem with any cheques.

Q. How long had you been doing business, approximately, and significant business with Mr GRO before 3 January 2003?

A. He started coming in, as I said, in 1999, but the majority was definitely midway 2001 onwards.

Q. And during all this time had you ever had problems with Mr GRO's transactions?

A. No, sir. As I said, he'd been coming in over a period of time and the Post Office knew

POL00066545

about the high value of cheques and how much currency I'd been given each day.

Q. If you had in any way dissatisfied Mr GRO by so refusing a facility, what did you think might have happened?

A. Well, first of all he might have gone elsewhere and stop the Post Office from a high value of turnover of euros.

JUDGE WOOD: I am sorry?

A. Stop the Post Office of a high volume of turnover of euros.

MR COOPER: What would have been the effect at that stage on you and the Post Office if Mr GRO had withdrawn his business?

A. Well, first of all if the cheques had bounced that would have been my livelihood and everything else -

Q. The question I am asking you is if, for instance, you had not agreed with Mr GRO to take a cheque to cover that problem and Mr GRO had said, "Right, I'm therefore not going to do business with you any more", what effect would Mr GRO withdrawal of business have had on the Post Office and on you?

A. For me personally maybe £4 a week.

Q. Yes, for the Post Office?

A. I hate to think how much they'd lose with the volume of currency that would be traded.

Q. That is how your mind would work?

A. Yes.

Q. Regardless of what the calculation was?

A. That is true, sir.

Q. And what effect do you think that might have had on your employment prospects with the Post Office if they had thought that you had lost, in your mind, such a profitable custom?

A. Well, I'd have thought they'd ask why we're not using so many euros from Hemel

POL00066545

Hempstead any more.

Q. So, given all that you accepted, did you, his cheque?

A. Yes, sir. I had no reason to disbelieve him.

Q. Were you aware of any restriction that Thomas Cook had placed upon Mr GRO

A. Not at all, sir.

MR COOPER: Your honour, and the jury, this is the area about the restriction over the Christmas period, so that the court know where this is. (To the witness) Do you understand that, Mr Page?

A. Yes, sir, I didn't know what he was doing with the euros, sir.

Q. You were not aware at all of what he was doing with his euros?

A. No, sir. I thought it was his business(?)

Q. Did Mr GRO n any way make you privy to information about his relationship with Thomas Cook?

A. No, sir. As I said, I didn't know anything about Thomas Cook.

Q. You know, obviously, Mr Page, the thrust of the allegations being made against you, certainly from the mouth of Mr Patel, that you offered preferential rates, failing to take, for instance, a bank guarantee card. What do you say about that?

A. You can't get a bank guarantee card for that amount of money and also a lot of people come to the Post Office when they're going on foreign holidays to buy currency, traveller's cheques up to £2,000. I don't take a guarantee card on that because it's down to myself if something happens to those cheques.

Q. From your knowledge of working in the Post Office and perhaps also being a Post Office customer, do Post Office counters generally ask for a cheque guarantee card?

A. Not in the bureau, sir, no, or we never used to do that, only the service side, which I call the public side. If somebody came in for a BT transaction or gas or electric we used to put their card

POL00066545

number down on the back so that there's some way of knowing that the bill wouldn't be paid if it bounced.

JUDGE WOOD: I am writing, "We don't ask for a cheque guarantee card for bureau transactions".

A. No, sir because the majority are over the guaranteed limit, sir.

Q. That is your evidence on that?

A. Yes, sir.

Q. Then other transactions: what is your evidence about bank guarantee cards, that you did or did not ask?

A. We didn't do that, sir, because if somebody is coming in paying a bill, sir, like a utility bill, you would put the utility number down, say MEB, utility number, so if it did bounce -

Q. So, really your evidence seems to be that you did not ask for cheque guarantee cards at all?

A. No, sir.

Q. So far you have only given us examples of where you did not. Was there any case where you would, so far as you recall?

A. No, sir. We'd been there since 1997 and we'd only had one cheque bounce on us.

Q. Thank you.

MR COOPER: One cheque bounce since 1997?

A. Yes, and that was from my dad.

Q. That was from your dad?

A. Because he took it out of the wrong account, sir.

Q. I see. Perhaps we should not go into that. In short, Mr Page, how old are you?

A. 38.

Q. In your 38 years have you ever acted criminally or dishonestly?

A. No, sir.

POL00066545

Q. Have you ever been tempted to act criminally or dishonestly?

A. No, sir.

Q. Did you enter into any agreement to defraud the Post Office with Mr GRO ?

A. No, sir. I wouldn't do that because it was a good livelihood for me.

Q. Did you individually decide as well as to defraud the Post Office to steal from them £282,000, we presume, whilst you were working for them?

A. No sir, I'd never do that.

Cross-examined by MISS NICHOLLS

Q. Mr Page, I do not suppose you can help us with Mr GRO favourite drink, holiday destination, favourite food?

A. No.

Q. Would it be fair to say that until he walked through the doors of Rugeley Post Office as a customer you did not know him from Adam?

A. No.

Q. Is it right to say that even after he walked through the doors of Rugeley Post Office no social contact between you or him?

A. No.

Q. And the only contact that ever existed between you and Mr GRO was indeed when you conducted business transactions?

A. Just a business matter, that's all ma'am.

Q. Just a moment on that. From what you were saying, Rugeley Post Office appears: was it your dream for you and your ex-wife?

A. Yes, it was, because we could not come and go as we please but we were our own bosses and back then with my wife we could make a success of it and we was.

Q. Self-employed and your own boss?

POL00066545

A. Yes.

Q. So, you were in charge? You were in command of that ship, for want of a better expression?

A. Well, especially when my ex-wife left, yes.

Q. And so to the outside world as well, if someone wanted to come in and talk to the boss, it was you, was it not?

A. Myself and my wife, yes.

Q. And once your wife left ,it was you?

A. Yes, it was.

Q. And perhaps to put the reverse position, if there was a complaint, it was to you they would come?

A. Yes, but we didn't get many complaints.

Q. I don't suggest for a moment that you did but that is the point. You were in charge there, you are the boss. You are number one, the person people would need to talk to?

A. That is correct.

Q. Let us go back again to your contact with Mr GRO From your evidence you are saying that initially he came in as a customer and was buying punts and, indeed, gilders?

A. That is correct.

Q. Not the amounts that we are looking at in this case.

A. No, they built up. They started to build up.

Q. Yes, but it is right, is it not, that there did come a time when Mr GRO told you that he needed euros for his business?

A. That is correct because when all the European countries turned over the euros --

Q. Yes, I think that was 2002.

A. Yes, end of 2001, 2002.

POL00066545

Q. 1 January 2002 I think it was officially started in Europe.

A. Yes.

Q. But it is right that at that stage he asked you what sort of rates you could do for him.

A. That is correct.

Q. And at that stage is it also right that he told you a little bit about his business?

A. Yes, he did.

Q. And at some stage within your dealing with Mr GRO he provided you with a brochure.

A. Yes.

Q. The RPX brochure – I don't know if it is there?

A. I have just seen it.

Q. It is there, is it?

A. Yes.

Q. The one that, in fact, we obviously showed to Mr Patel – so, he showed you a brochure. Did he give you a business card as well?

A. I can't remember that but he would have given my wife a business card when he first came in.

Q. He gave you or your wife some form of identification as well?

A. Yes, definitely a passport.

Q. I am sorry, definitely a passport?

A. Yes.

Q. So, he told you that he needed euros for his business, showed you a brochure about his business and told you something about it to the extent that you knew it was in recycled plastics?

A. Hmm.

Q. You knew that his customers included, and certainly he let you know that his customers

POL00066545

included, people like Corus and BMW?

A. Yes and Honda as well, I think.

JUDGE WOOD: I do not want to interrupt but we have actually covered this ground.

MISS NICHOLLS: Your honour, yes, but it is perhaps very significant to both.

JUDGE WOOD: That, I do not think, justifies covering it again. I do not at all mind laying the ground for something additional but it does not seem appropriate for the witness to be repeating evidence given earlier this afternoon about Corus and BMW. It may be that you want to extract some more, by all means, but not, please, rehearsing what we already know.

MISS NICHOLLS: I do, but I am sorry if it is repetitious but it is central to --

JUDGE WOOD: Not at all. I do not want to criticise; I just want to press on.

MISS NICHOLLS: (To the witness) We have established, therefore, that he gave you details of the business and asked you what sort of rates you could do?

A. That is correct.

Q. And your understanding was that it was for his business dealings?

A. Yes.

Q. Would it be fair to say that the principle that you operated is the greater amount of euros someone buys, the better the rate that they should receive?

A. At a better preferential rate, yes.

Q. Was it just basically a fundamental business decision?

A. Yes.

Q. You had a retail side?

A. That is correct.

Q. Presumably, if someone came into you and said, "Well, Mr Page, I'd like to buy 15 of those as opposed to one" you would think of giving them a special rate on that?

A. Correct.

POL00066545

Q. And your understanding at the time was that the Post Office would not object to that?

A. No, they hadn't objected in the past. I'd been doing it for a period of time.

Q. You were aware from the daily fax sheets that were sent to you that there was a number to contact?

A. First Rate?

Q. Yes, FRTS, is it not?

A. Yes.

Q. Were you aware that if you contacted them and said that you had a transaction for 100 grand, they would put you through to a dealer who would give you a special rate?

A. I didn't know that, not go through to a dealer but maybe a rate, yes.

Q. Now, with regard to the transactions with Mr GRO was it right that as you rightly say, over time they built up but in essence he would ring up and just request to take whatever euros you could get him?

A. That is correct.

Q. And on some occasions he would ring up and you would say that you had so many euros and then he would say, "Well, I will buy those but I'll wait until you've got a bit more in before I come in"?

A. That is correct.

Q. So, you knew you had a transaction but you also knew that he was happy to buy more?

A. That is correct.

Q. So, effectively, would it be right to say that the euros sometimes, as it were, accumulated at the Post Office until Mr GRO came and bought them?

A. Yes, they'd come in, I'd sell them off, put in the back safe and wait for Mr GRO to turn up.

Q. And when he turned up he paid you by cheque?

POL00066545

A. Yes.

Q. At any stage during these transactions did Mr GRO ever ask you to delay the cheques on his behalf?

A. Never.

Q. Did he -

A. I am sorry, I delayed the cheques by just (inaudible) … Wednesday.

Q. But he never requested that of you at all, did he?

A. No, never.

Q. Would it be fair to say that his dealings, therefore, in that sense were very perfunctory? He would come in, collect the euros and write a cheque for you?

A. Yes, or maybe one or two cheques to cover however many transactions I'd done previously for him.

Q. Yes, if there had been a series of transactions throughout the week that he had not collected, there may have to be one or two cheques?

A. That is correct, yes.

Q. But he never asked you to delay the cheques; he certainly never asked to write a series of cheques?

A. No.

Q. Because it is right, is it not, that none of the cheques fell within a guarantee card?

A. No.

Q. They all exceeded the amount.

A. But as I said earlier, it had been building up and I had no reason not to accept his cheques.

Q. Is it also right that he never asked you to accept a post-dated cheque?

A. Never.

Q. It is right, is it not, that on some of the transactions, Mr GRO did not turn up;

POL00066545

someone else would come in?

A. That may have happened twice but I wasn't there. It may have happened a weekend when I wasn't there but I was made aware of it, yes.

Q. All right, and again from what you have said about Mr GRO there was until the December matter never a problem with Mr GRO's cheques?

A. No, none at all.

Q. In December there were a series of transactions, which we know about and we now know that those cheques were stopped. The first that you were aware of the difficulty with those cheques, would it be fair, was from Mr GRO himself?

A. That is correct, yes. I think that it may have been when he wrote the cheque to cover the three bounced ones.

Q. I am sorry?

A. I think it may have been when he gave me the cheque to cover the three bounced ones.

Q. And it is right, is it not, that when he came in – may I suggest that it was either on 2 or 3 January, he was the one that said, "There is a difficulty" or that there may be – not that there is but there may be a difficulty with these cheques?

A. There may be a difficulty regarding the payment of the cheques because the payment had not gone through his bank account from, I think he said Corus, I think it was.

Q. No issue with you on that at all but then he provided you with, as it were, the safeguard cheque, the one that covered the three amounts?

A. That is correct.

Q. He told you what he thought they were and he provided you with that cheque.

A. That is correct.

Q. It is right that there was, in fact, another transaction on that day, 3 January and it is right, is it not, that that transaction, the cheques were paid?

POL00066545

A. I presume so, yes.

Q. We know that from the Crown's schedule. And then, of course, the final transaction – there is another transaction on the 7th and then on 13 January?

A. That is correct, yes.

Q. The sum on 13 January was one of the biggest transactions, was it not?

A. Yes, I don't think he'd been in for a while, actually

Q. Yes, I was going to come to that. Were you aware the had been away in France?

A. No.

Q. But it is right that he had not been in for a while and the sums of euros had accumulated?

A. That is correct, yes.

Q. But the system that operated was that Mr GRO would ask you for whatever euros you could get and then he would come in and collect them when he could?

A. That is correct, yes.

Q. It is also right, is it not, that with regard to the exchange rate, he did not tell you what exchange rate to fix?

A. No.

Q. You made the decision.

A. That was down to me.

Q. You looked, from what you have told this jury and we now know how you calculated it – you said you looked at the buy/sell rate and hit somewhere as long as it was below -

A. Just slightly below the buy rate, yes. My ex-wife started doing that as soon as he started buying large amounts.

MISS NICHOLLS: Thank you very much. I have no further questions.

JUDGE WOOD: Thank you. Would you like to make a start, Mr John?

MR JOHN: I am in the court's hand.

POL00066545

JUDGE WOOD: I do not see why you should not, really.

MR JOHN: I do not see why I should not.

JUDGE WOOD: It is simply that I did not want to make you if you would prefer to do it in one go.

Cross-examined by MR JOHN

Q. Mr Page, on the evidence Mr GRO appears to have made a profit of getting on for £1 million by transacting with you over ten months and you made, perhaps, £4 per week?

A. That is correct.

Q. And you did not have the slightest idea that he was making that considerable sum of money solely because you were prepared to give him rates which you decided for yourself?

A. That is correct.

Q. When did you first realise that he had made hundreds upon hundreds of thousands of pounds by reason only of what you did by breaking the rules?

A. When did I first realise?

Q. Yes.

A. When all the documentation from this court case came about.

Q. You must have been astonished.

A. To say the least, yes.

Q. Yes, because just looking at this quite straightforwardly, when you saw the papers, if that was indeed the first time when you realised what a fortune he was making, you must have thought that you had had a very raw deal out of this?

A. No, I didn't think that at all. I was just astonished that he made that money in what he was doing.

Q. Because if there was nothing wrong with this, you could have done the same yourself, could you not?

POL00066545

A. No, I would not do that.

Q. If there was nothing wrong with it, and you tell us that there was not, you could have done the same yourself.

A. But I didn't.

Q. Would you please answer the question? You could have done, could you not?

A. If I was that way inclined, yes.

Q. You say if you were that way inclined. Why should you not, on your evidence, Mr Page, be that way inclined if this was all perfectly above board and you would have been a millionaire too.

A. No, it didn't even cross my mind to do anything like that, sir.

Q. Because what Mr GRO was doing, it would be difficult to categorise it as work, would it not?

A. Well, I didn't know that at the time, sir.

Q. Let us just take a brief look please and ask for your help as to your financial position at about the beginning of 2002, roughly the time, as you appreciate, when the Crown say that this fraud and this separate theft began.

A. Hmm.

Q. Your former matrimonial home had been sold in November 2001?

A. That s correct, sir, yes.

Q. Who got the bulk of the proceeds of sale?

A. Two-thirds went to my wife.

Q. What happened to the rest?

A. The rest went down for deposit on a flat.

Q. So, that got rid of all the equity in your former matrimonial home?

A. Most of it, sir, yes.

POL00066545

Q. Did you owe any money?

A. I may have done, sir, I can't remember. Yes, I did owe money to my father-in-law because it was a business.

Q. How much did you owe him?

A. I think it was about maybe £70,000 odd, sir, and that's why I had the business loan for that, to cover that.

Q. How much was that costing you a month?

A. About £800 per month.

JUDGE WOOD: Could I just clarify: he probably lent money on an informal basis while you were married?

A. That is correct, sir.

Q. And then following separation are you telling us that you took out a business loan, meaning something from a bank?

A. Yes.

Q. Paid out what was owed to him and thus kept the Post Office?

A. That is correct, sir.

MR JOHN: Did you take out a loan from anybody else?

A. I may have done, sir.

Q. Just think about it. Your wife had an interest in the Post Office business, did she not?

A. Yes, I had some money off her mum and dad.

Q. Yes, how much did you have to borrow from them to pay off Debbie?

A. I think about £35,000 to £40,000, sir, it was.

Q. So, that takes it up to over £100,000 in loans. How much were you paying back in respect of that loan?

A. It was goodwill, sir. I was paying maybe £150 – because her mum and dad gave me at least

POL00066545

half of that.

Q. So, how much do you say?

A. I think they gave me between 25 and 30 without paying back, sir.

Q. Just think about the amount for a minute. £45,000, does that sound right?

A. Maybe sir, yes.

Q. £250 a month repayments? Does that sound about right?

A. Maybe sir, yes.

Q. So, in round figures well over £100,000 owed and well over £1,000 per month that you were having to pay out?

A. That is correct, sir, yes.

Q. And all the equity, as you have told us, in your former matrimonial home naturally sunk into your new one?

A. The majority of it, sir, yes.

Q. Well, all of it, was it not?

A. Maybe sir, yes.

Q. And on top of that you had rent to pay to the Post Office?

A. That is correct.

Q. £20,000 per year?

A. It got negotiated: £20,000 a year from £17,500 or £15,000; I can't remember, sir.

Q. I am sorry, I did not quite catch your answer, forgive me.

A. I think that it came from £17,500 to £20,000 later on.

Q. Yes.

A. In mid-2002.

Q. By 2002 it was £20,000, was it not?

A. Yes, sir.

POL00066545

Q. And on top of that you, of course, were having to pay the staff.

A. That is correct, sir.

Q. How much were you paying the staff in the course of a month?

A. Off the top of my head I couldn't tell you, sir. (inaudible) and other figures.

Q. A ball park figure?

A. I couldn't tell you, sir. Maybe £1,000.

Q. If I summarise it in this way, of the order of £35,000 a year to your staff. Does that sound about right?

A. It may, sir, yes.

Q. £30,000 to the Post Office?

A. Yes.

Q. That is £55,000?

A. Yes.

Q. £12,000 or £13,000 or so in loan repayments?

A. Okay, sir, yes, if you say so.

Q. I am just doing the maths.

A. Okay, sir.

Q. And you are not bad at maths, are you?

A. I'm not 100 per cent, sir.

Q. And no capital?

A. No, sir. The capital I had on the business loan was – the business loan was the capital on the 10 year lease the Post Office gave me and also I had a second mortgage on the house, the flat in Stone.

Q. If we take, as it were, a snapshot of what your financial position was in the early months of 2002, you were in it up to your neck, were you not?

POL00066545

A. I was there or thereabouts, sir, yes, but what you have not taken account of, sir, is the proceeds I was receiving from the retail side.

Q. Your gross sales in the year up to February, I suggest, very much gross, were £38,000. Is that about right?

A. Yes, but not everything went through the books, sir.

Q. Why was that?

A. Because I kept some money back, sir, for myself, plus paying cash and carry and everything else like that.

Q. So, not everything went through the books?

A. The majority of things did, sir.

Q. Not everything went through the books?

A. No, sir.

Q. Is that honest?

A. No, sir. It would be £20 here, £30 there in the day. I don't think that's dishonest.

Q. I see. Honesty is a question of how much you can get away with, is it?

A. No, sir.

Q. Is not putting all the receipts from your retail business through the books dishonest?

A. All the receipts went through the books, sir.

Q. What did not go through the books? You just volunteered that.

A. If somebody bought something for £20, I'd put the £20 to one side and keep it myself later on. That's no different from --

Q. Is this the business stock which you would have charged up in the business books as having been bought?

A. Yes, sir.

Q. You then sell it for a profit and put it in your pocket?

POL00066545

A. Not all the time, sir, no.

Q. I didn't say all the time. You volunteered this information. We are now examining this against the background of your trumpeting to this jury this afternoon how you have never, ever dreamed of being dishonest in your life. Now, shall we get a bit close to the truth? If you buy stock for your shop and charge it up to the books and you sell it and put the cash in your pocket, that is dishonest, is it not?

A. If you look at it like that, sir, yes.

Q. Yes, I am looking at it like that. Do you suggest that there is another way of looking at it?

A. No, sir.

Q. I am now going to jump ahead to 13 January 2003. Had things looked up by then financially for you?

A. In what way, sir?

Q. Well, were things better or worse than the position you were in at the beginning of 2002?

A. I can't recall, sir. Well, obviously not, because I got divorced.

Q. So, they had not improved?

A. No, they were about the same.

Q. Do you remember what you were doing on 13 January when the police were trying to find out where you were?

A. I was at the farm(?) at eight o'clock in the evening.

Q. What were you doing during the day?

A. I was buying a new car, sir.

Q. Hmm. Just taking delivery of an Audi A4?

A. That is correct, sir, yes.

Q. Valued at nearly £38,000.

A. That is incorrect, sir.

POL00066545

Q. What figure do you say?

A. They are valued at about 22, I think, sir. I had an Audi A4 before that and just swapped it and put the difference with a loan in.

Q. You swore an affidavit about this, did you not?

A. The 38,000 would be after paying the HP on it, sir.

Q. An expensive car.

A. I got it at a good rate, sir. I wouldn't class it as expensive, no.

Q. You would not? So, you were still hard up against it by January 2003 but still able to get a car like that?

A. I was comfortable, sir.

Q. Yes, you were comfortable because by that time you had been milking the Post Office week in and week out, had you not?

A. No, sir, that's wrong.

MR JOHN: Your honour, it is 4.27. Can we return to the details in the morning?

JUDGE WOOD: Yes. I need to remind you, as I did at the earlier break, that you cannot discuss the case with anyone whatsoever and subject to that, you are free to go and we will recommence at half past 10 tomorrow. Thank you very much. I will rise now.

(The court adjourned until 10.30 am on Friday 1 July 2005)