

## Stephen Dilley

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**From:** Julian Summerhayes  
**Sent:** 24 November 2005 11:02  
**To:** Stephen Dilley  
**Cc:** Tom Beezer  
**Subject:** RE: Urgent The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)

of Course.

Julian Summerhayes  
Associate  
for and on behalf of  
Bond Pearce LLP  
DDI: [REDACTED] GRO  
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**From:** Stephen Dilley  
**Sent:** 24 November 2005 10:56  
**To:** Julian Summerhayes  
**Cc:** Gareth Kagan; Tom Beezer  
**Subject:** FW: Urgent The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)

Julian,

I am trying to advance this file as much as possible before I go on vacation in 2 weeks time. We are slowly turning this around, but it is clear this file is going to remain active and there should be someone who has working knowledge of it when I'm away, apart from Tom Beezer, to deal with things on the ground. Would you be able to look after this one whilst I am away? I will continue to keep you updated on all the developments etc.

Kind regards.

Stephen

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**From:** Stephen Dilley  
**Sent:** 24 November 2005 10:39  
**To:** 'john.h.jones' [REDACTED] GRO; cath.oglesby [REDACTED] GRO; 'lesley.joyce' [REDACTED] GRO; 'stephen.hough' [REDACTED] GRO  
**Cc:** Tom Beezer; 'mandy.talbot' [REDACTED] GRO; 'cheryl.woodward' [REDACTED] GRO  
**Subject:** FW: Urgent The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)

Amended list attached.

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**From:** Stephen Dilley  
**Sent:** 24 November 2005 10:35  
**To:** 'john.h.jones' [REDACTED] GRO; cath.oglesby [REDACTED] GRO; 'lesley.joyce' [REDACTED] GRO; 'stephen.hough' [REDACTED] GRO  
**Cc:** 'mandy.talbot' [REDACTED] GRO; Tom Beezer; 'cheryl.woodward' [REDACTED] GRO  
**Subject:** Urgent The Post Office -v- Lee Castleton (Marine Drive Post Office, Bridlington)

30/11/2005

Dear John, Catherine, Lesley and Stephen,

**(1) Post Office's claim against Mr Castleton**

Lesley and Stephen - I am a solicitor at Bond Pearce LLP and have recently taken over conduct of the Post Office's claim against Mr Castleton. Mr Castleton was a subpostmaster of the Marine Drive Post Office in Bridlington. He was suspended 23 March 2004 and subsequently dismissed. He could not account for losses of £27,115.83 incurred during this time and the P.O are pursuing him for this money. He is counter claiming for wrongful dismissal.

**(2) Mr Castleton's defence**

Mr Castleton has obtained 2 expert's reports which state that the deficiencies have probably been brought forward despite the fact that they have been entered onto the suspense account entry. They suspect this is because the Horizon system, despite the suspense account entry, has failed to recognise the entry on the daily snapshot. Mr Castleton seeks copies of the following documents:

- (i) A full list of all the transactions carried out within the Post Office (he says that it is not good enough that management information is not available simply because the "month end has been closed down".
- (ii) The actual audit report the P.O prepared. He says that the actual report would have been a manuscript writing document rather than a typed document.
- (iii) P and A Reports for weeks 39-52.
- (iv) Cash and stock counts for when Mr Castleton began trading and when he stopped being a Post Office Sub-Postmaster.
- (vi) The events log for weeks 39 to 52.
- (vii) Transaction log.
- (viii) The daily balance snapshots for the following dates:

18 to 20, 22 to 23, 27, 29 to 31 December 2003  
2 to 3, 5 to 10, 12m to 13, 15 to 17, 19 to 20, 22 to 24, 26 to 27, 29 to 31 January 2004  
2 to 3, 5 to 7, 9, 19 to 21, 23 to 25 February 2005  
4 to 6, 8 March 2004 and weeks 51 to 52.

Our argument is that the daily balance snapshots are irrelevant because we can (hopefully) physically prove from the giro deposits made by the customer at the branch that the cash declared was not that, which was physically deposited to the branch and should have been there to be accounted for. During weeks when Mr Castleton was declaring a loss, he ordered more cash from the P.O. If Mr Castleton is correct that the losses were "manufactured by Horizon" then there would in reality have been sufficient cash in the branch to meet its requirements, but there was not. He could not physically account for the extra cash he ordered.

**(3) Documents**

I attach to this email a list of receipts and other financial documents that we have received from the Post Office. Please could each of you review the list and confirm:

1. Would it have been Helen Hollingworth that removed any documents from the Marine Drive Post Office when she carried out the audit on 25 March 2004?
2. Catherine, did you remove any documents from the Marine Drive Post Office branch? If so, do you know what those documents are?
3. Can we with certainty say that the only documents that the P.O removed from the Marine Drive branch are mentioned in the attached list?

4. I understand that the chain was as follows: Documents were removed for the audit by Helen Hollingworth, then passed to Catherine Oglesby to review and decide whether to dismiss him, then passed to John Jones to deal with the appeal against the dismissal, then to Lesley Joyce for storage and that in April 2005 Lesley Joyce sent them to the Leeds Post Office during part of a business move. Is this correct? Stephen, do you have any documents in Leeds apart from those on the attached list? If so, please could you confirm what they are and send them to me as soon as possible?

5. On the attached list, there are receipts for "Final Balances" "Miscellaneous Transactions" "Sales Reports" "Trial Balances." Would any of these receipts contain the same information as a "Balance Snapshot?" Are they the same thing as a balance snapshot, but just by another name?

6. Can the P.O obtain the documents Mr Castleton seeks listed in paragraph (2)(i) to (viii) above?

7. John, you have stated that the daily balance snapshots are irrelevant because we can physically prove from the giro deposits made by the customer at the branch that the cash declared was not that, which was physically deposited to the branch and should have been there to be accounted for. You will see from the attached list that there are some missing giro receipts, most noticeably for deposit and withdrawals from 11 to 31 March. Does this mean that for those missing weeks, we will be unable to prove that the physical cash at the P.O did not match the giro receipts?

8. John, I note that the costs of extrapolating low level data would be significant. If we wanted to, could the P.O reproduce the audit trail by reprinting it from its computer system? (In particular, could the P.O reprint the daily snapshots and the giro receipts).

I look forward to hearing from you as soon as possible and thank you in anticipation of your assistance.

Kind regards.

Stephen Dilley  
Solicitor

for and on behalf of Bond Pearce LLP

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