

S' hen Dilley

From: Stephen Dilley
Sent: 27 June 2006 14:31
To: 'rmorgan@ **GRO** '
Cc: Tom Beezer
Subject: Post Office Limited v Castleton
Attachments: DOC_1180761.PDF; NOTE_1173514.DOC; NOTE_1176338.DOC; LETTER_1180724.DOC

Dear Richard,

I refer to our previous discussions in relation to the above claim, which has now been fixed for trial to start in the week commencing 4 December 2006.

(1) Witnesses of fact

Our proposed witnesses of fact are currently:

Cath Oglesby, P.O.
John Jones, P.O.
Helen Rose, P.O.
Andrew Wise, P.O.
Ann Chambers, Fujitsu.
Gareth Jenkins, Fujitsu.

We will also have one or two expert witnesses on the IT and accountancy side.

You have already reviewed the Witness Statements of Cath Oglesby, John Jones and Helen Rose that we filed in support of the application to set aside the default judgment on the counterclaim. Do you think we should simply rely on them in the main claim, or file second Statements just deleting reference to default judgments on the counterclaim?

Mr Castleton has served a reply to our request on the Defence and Part 20 claim (copy attached). Our IT evidence of fact (which will come from Andrew Wise, Ann Chambers and Gareth Jenkins) needs to deal with the points raised in the reply.

You will recall that Fujitsu's Horizon System Helpdesk (**HSH**) run the technical side of Horizon for the P.O. We met Fujitsu recently who were able to explain in convincing technical detail why Castleton's assertions about the IT amount to hot air. In particular, Gareth Jenkins (Distinguished Engineer) was both confident and knowledgeable about Horizon and I think he would make a good witness, albeit he was not involved at the time with Castleton's case. Ann was briefly involved at the time and her statement will be shorter. She has not given evidence before and I suspect she will probably be more nervous. We also met Andrew Wise who worked at the relevant time for NBSC (the P.O's helpline for subpostmasters). I attach just for your information a copy of notes of those meetings. The key points we need to flesh out in Gareth's statement in particular is:

1. Even if Castleton experienced computer problems (which is not admitted, but is neither here nor there), this would not cause losses at his branch i.e the losses were real not fake; and
2. Double entry bookkeeping - for every transaction recorded electronically on Horizon, there would be a physical receipt e.g giro receipt, cheque or cash etc which Castleton would have sent to the relevant organisation to be counted. If they didn't tally with what was inputted into Horizon, this would have been picked up and an error notice would be generated. If Castleton's computers were malfunctioning and recording wrong numbers you'd expect this to be picked

up centrally when the receipts are counted.

What I propose to do now is prepare first drafts of Andrew Wise, Ann Chambers and Gareth Jenkins Witness Statements and discuss them with you before they are finalised.

Finally, would it help if I sent to you a complete list of the documents we have disclosed and the documents that Castleton has so far disclosed? These are voluminous, but you're welcome to see them.

(2) Timetable

The Order dated 9 March 2006 provides that disclosure had to take place by 18 May, inspection 1 week later i.e.. by 25 May and Witness Statements to be exchanged on **14 July**.

It is only today that we have received part, but not all, of Mr Castleton's disclosure. Even if we receive the remainder shortly, we are about 6 weeks behind the Court timetable, so we will probably need to seek an extension of time to serve Witness Statements by a further 6 weeks or so from 14 July and with consequential amendments to the remainder of the Court timetable. I have raised this with Castleton's solicitors today (copy letter attached, just for information).

(3) Mediation

The court timetable provided for the parties to mediate before disclosure, but in May Castleton's solicitors instead said they would only mediate afterwards. They have not mentioned this subject since disclosure and I will pick this up with them.

Finally, just a note that I will be away from the office on 4 to 6 July and 17 to 21 July.

Kind regards.

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Please note our new contact details from 8 May 2006 as set out above.