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Date: 19 February 2013
Our Ref: AC2/21392/RP

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Tel: **GRO**
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Dear Sirs

Re: Post Office Ltd v. Kim Elizabeth Wylie
Newcastle Crown Court
Date of next hearing: 5 March 2013 for trial

Thank you for your letter date 14th February 2013. Please find enclosed a Notice of Additional Evidence which includes two statements from Stephen Bradshaw dated 20 November 2012 and the 19 February 2013 as well as an exhibit SB/3 which is an extract from the Sub Postmaster's contract.

We note that your expert report was not commissioned until the 28 January 2013, a copy of which did not reach us until the 14th February 2013. We also note Mr Turner does not comment on the content of our expert report which was served with a Notice of Additional Evidence on the 28 November 2012.

The Crown's position on the integrity of the Horizon system is set out in Steve's Bradshaw's statement dated 20 November 2012. There is no further disclosure in relation to this matter.

Having considered the requests for further disclosure as set out in Mr Turner's report, the Crown would comment as follows:

1. At the time of the audit in September 2010, the office would have been using Horizon Online and so there would not be any useful evidence contained on the terminal itself. All of the relevant data is recorded on the Horizon system.

2. Our expert report details the processes and standards that are observed when securing/preserving the computer data.
3. We have served the call logs received from the Winlaton PO, please see exhibit RD/11 pages 40-55.

In order to assist your expert with viewing the Horizon data, the Officer in the case will send a CD containing the Horizon data to you within the next few days. Signed and dated copies of the enclosed statements will also be served alongside the CD.

Should you require any further information, please do not hesitate to contact Rachael Panter at the above office on GRO

Yours faithfully



Cartwright King
Enc.

IN THE CROWN COURT
AT NEWCASTLE

REGINA
(POST OFFICE LTD)

v

KIM ELIZABETH WYLIE

TAKE NOTICE that, in addition to the evidence given in the Magistrates' Court, further evidence, the effect of which is set out herein, may be given at trial. Unless you serve a notice on me within seven days of receipt of this Notice objecting to this course, I propose that the evidence of the witnesses listed below shall be tendered in evidence in accordance with Section 9 of the Criminal Justice Act 1967.

Dated this 28th November 2012

Statements of:	Page
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Steve Bradshaw	27 - 30
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Exhibits:	
GIJ/1	61 - 68
GIJ/2	69 - 82
SB/1	83
SB/2	84
SB/3	85 - 90

For Graduated Fee Scheme purposes – the updated page count is now:		
Statements	Exhibits	Photographs etc
30	90	0
In addition 2 x CD disks containing images of word documents downloaded from the Fujitsu data and served in evidence.		

Signed

GRO

Rachael Panter

To: The Chief Clerk, The Crown Court
Messrs McKeag & Co. Solicitors.

Post Office Ltd

List of Witnesses

R v	Kim Elizabeth WYLLIE
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Name	Page Numbers
Geraldine DRESSER x 1 Statement	1 - 4
Robert BROWN x 1 Statement	5
Helen DICKINSON x 1 Statement	6
Robert DAILY x 1 Statement	7 - 14
<i>Gareth Jenkins</i>	
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<i>Stene Bradshaw</i>	33 - 34.

NAME AND ADDRESS OF PROSECUTING SOLICITOR FOR ALIBI WARNING (IF ANY)

Post Office Ltd
Legal Services
148 Old Street
LONDON
Ec1v 9HQAgent acting on behalf of POL LS
Address:
Cartwright King
Majority House
51 Lodge Lane
Derby DE51 3HBTelephone: **GRO**
General Office
Reference POLTD/1011/0100Telephone No: **GRO**
Reference:

Post Office Ltd

CONFIDENTIAL
Witness Statement

Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section: 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of: Stephen BRADSHAW

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 20 day of November 2012

Signature

Further to my previous statement 19 November 2012.

After a number of meetings between Post Office Management and Members of Parliament in relation to the Court cases, it was agreed that the Post Office would undertake an external review of the cases which had been raised by the Member's constituents. As the Post Office continues to have absolute confidence in the robustness and integrity of its Horizon system and its branch accounting processes, it had no hesitation in agreeing to an external review of these few individual cases. In order to provide assurance to the interested parties, it was proposed that the review be undertaken by independent Auditors 2nd Sight. The review will be specifically restricted to the cases raised by the MPs as well as reviewing the accounting procedures, processes and reconciliations undertaken in relation to the cases in question. Before formal instructions are given to the Independent Auditors, agreements will be sought from all interested parties, namely the Members of Parliament and Justice for Sub postmasters. The Sub postmasters have requested a Forensic Accountant of their choice be appointed to oversee the Cases being reviewed by 2nd Sight. All the above is accepted based on the terms of the Review being carried out, but this is in no way an acknowledgement by the Post Office that there is an issue with Horizon. Over the past ten years many millions of branch reconciliations have been carried out with transactions and balances accurately recorded by more than 25,000 different sub

Signature

**Signature witnessed
by**

CONFIDENTIAL
Witness Statement

Criminal Justice Act 1967, Section 9, Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

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s

Continuation Statement Stephen BRADSHAW
of

postmasters and the Horizon system continues to work properly in Post Offices across the length and breadth of the UK. When the system has been challenged in criminal courts it has been successfully defended.

Signature

**Signature witnessed
by**

Post Office Ltd

CONFIDENTIAL
Witness Statement

Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

Statement of: Stephen BRADSHAW

Age if under 18: Over 18 (if over 18 insert 'over 18')

This statement (consisting of pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the 19 day of February 2013

Signature

Further to my previous statements dated 19th November 2012 and 20th November 2012.

I can confirm from Post Office Ltd Human Resources records that Kym WYLLIE was

appointed sub postmaster of Winlaton:

GRO

GRO on 8 February 2003.

Sub postmasters are contracted to provide services to customers. As such they receive a monthly remuneration commensurate with the level of business conducted at the branch and are provided with a balance of cash and stock to allow them to provide these services.

All transactions conducted by the sub postmaster are recorded on a computer based accounting system known as Horizon, which is used in all Post Office branches. The system records all transactional data inputted by a counter clerk during an accounting period and provides daily and weekly records enabling counter clerks and sub postmasters to produce a balance of cash and stock on hand.

At the completion of each Branch Trading Statement if there is a shortage in the accounts the sub postmaster in accordance with his contract, must make good the shortage by accepting the shortage on the Horizon system prior to rolling over the cash and stock into the next Branch Trading Period.

Signature

**Signature witnessed
by**

CONFIDENTIAL
Witness Statement

Criminal Justice Act 1967, Section 9, Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B; Criminal Procedure Rules 2005, Rule 27.1

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Continuation Statement Stephen BRADSHAW
of

For all shortages of £150 or less the sub postmaster is expected to immediately make good this shortage by either cash or cheque. For all shortages over £150 he can make good the loss on the Horizon system by "settling centrally". By settling centrally the sub postmaster will pay a sum out of his remuneration each month until the shortage has been cleared.

Section 12 of the sub postmaster's contract deals with the Responsibility for Post Office Stock and Cash.

Sub section 12 and 13 of this contract deal with Losses.

12. The sub postmaster is responsible for all losses caused through his own negligence, carelessness or error and also for losses of all kinds caused by his assistants.

Deficiencies due to such losses must be made good without delay.

13. The financial responsibility of the Sub postmaster does not cease when he relinquishes his appointment and he will be required to make good any losses incurred during his term of office which may subsequently come to light.

Sub section 14 of this contract deals with Gains.

14. Surpluses may be withdrawn provided that any subsequent charge up to the amount withdrawn is made good immediately.

I now produce Section 12 and 13 of the sub postmaster's contract as **SB/3**.

Signature

**Signature witnessed
by**

Post Office Ltd

List of Exhibits

R v	Kim Elizabeth WYLIE
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Court Exhibit Number	Identification Mark	Page Numbers	Short Description of Exhibits
	GD/1	1-3	Audit Report
	RD/1	4	Notebook entry visit to Winlaton PO
	RD/2	5-6	GS001 Legal Rights Document
	RD/3	7-19	Tape Transcript of Master Tape 072772
	RD/4	20-26	Tape Transcript of Master Tape 073431
	RD/5	27-33	Tape Transcript of Master Tape 073432
	RD/6	NOT COPIED	Master Tape 072772
	RD/7	NOT COPIED	Master Tape 073431
	RD/8	NOT COPIED	Master Tape 073432
	RD/9	34-36	Branch Trading Statement TP 3 dated 26/05/10 to 24/06/10
	RD/10	37-39	Branch Trading Statement TP 4 dated 24/06/10 to 28/07/10
	RD/11	40-55	NBSC call logs
	RD/12	56	Letter re concerns from Horizon Online Advisor
	RD/13	57-58	Horizon Balance Snapshot 17/07/10 showing cash on hand £314,889.36 and a discrepancy of £34,101.29
	RD/14	59	Notebook entry Master Tape seal numbers
	RD/15	60	Horizon Cash Declaration print out dated 09/09/10 timed at 18.12 showing cash on hand total £17,024.29 & £1 coins declared £15,364
	GIT/1	61-68	Horizon Integrity measures
	GIT/2	69-82	Horizon Integrity measures
	SB / 1	83	Payments made for Holiday Substitution
	SB / 2	84	Extract from HR Holidays archive.
	SB/3	85-90	Extract from Sub Postmaster's contract.

SB/3

POST OFFICE COUNTERS LTD

SECTION 12

RESPONSIBILITY FOR POST OFFICE STOCK AND CASH

CREDIT STOCK OF STAMPS ETC.

1. The Subpostmaster on taking up his appointment is supplied with suitable Post Office stock, the amount of which is fixed by the Regional General Manager.

CASH BALANCE

2. The Subpostmaster is permitted to hold Post Office Counters Ltd cash normal to meet payments at his sub-office after due allowance has been made for expected receipts and in accordance with official accounting and security instructions.
3. The Subpostmaster is expressly forbidden to make use of the balance due to Post Office Counters Ltd for any purpose other than the requirements of the Post Office service; and he must, on no account apply to his own private use, for however short a period, any portion of Post Office Counters Ltd funds entrusted to him. He must also be careful to keep the Post Office money separate from any other monies. Misuse of Post Office Counters Ltd cash may render the offender liable to prosecution and, or, the termination of his Contract of Appointment.

ACCOUNTS

4. The Subpostmaster must ensure that accounts of all stock and cash entrusted to him by Post Office Counters Ltd are kept in the form prescribed by Post Office Counters Ltd. He must immediately produce these accounts, and the whole of his sub-office cash and stock for inspection whenever so requested by a person duly authorised by the Regional General Manager.

SECURITY OF CASH, STAMPS ETC.

5. The Subpostmaster is held strictly responsible for the safe custody of cash, stock of all kinds and other Post Office Counters Ltd property, papers and documents, whether held by himself or by his Assistants, and should keep them in a place of security, especially at night.
6. The Subpostmaster is responsible for maintaining a standard of security sufficient to enable him to meet the obligations laid on him by paragraph 5 for the safe keeping of Post Office Counters Ltd cash and stock placed in his care. If any circumstances arise which lead him to doubt whether he can do so he should immediately consult the Regional General Manager.
7. In deciding the standard of security which it would be reasonable to require under paragraph 6 Post Office Counters Ltd will have regard to (a) the circumstances in which the Subpostmaster was appointed, and in particular the standard of security then accepted; (b) the length of time since his appointment; and (c) any particular circumstances affecting the sub-office which appear to be relevant.
8. All vouchers for payments e.g. Postal Orders, Allowance Dockets etc., should be placed in a suitable receptacle (cardboard box or strong envelope), labelled "Paid Vouchers" and at the close of business kept separately from cash and stock in another secure place, such as a locked drawer or cupboard.
9. The Subpostmaster must be careful to keep his stocks of all kinds in such a manner that they remain in good condition. The stocks must be protected against damp and dust.
10. Datestamps used for authenticating documents (e.g. Postal Orders) or stamping correspondence must be kept in a position on the counter where they are out of reach of members of the public. When not needed for work they must be locked away.
11. Precautions should be taken to guard against the risk of fire.

LOSSES

12. The Subpostmaster is responsible for all losses caused through his own negligence, carelessness or error, and also for losses of all kinds caused by his Assistants. Deficiencies due to such losses must be made good without delay.
13. The financial responsibility of the Subpostmaster does not cease when he relinquishes his appointment and he will be required to make good any losses incurred during his term of office which may subsequently come to light.

GAINS

14. Surpluses may be withdrawn provided that any subsequent charge up to the amount withdrawn is made good immediately.

THEFT OR BURGLARY

15. If a theft or burglary is committed or attempted at a sub-office, whether or not official cash or stock is stolen, the facts must be reported at once to the Police and to the Regional General Manager by the person who first makes the discovery.

MISSING OR STOLEN STOCK

16. If a Subpostmaster considers that any stock items have been accidentally lost, or stolen he should make a report, in accordance with Appendix 1, as quickly as possible to the Regional General Manager.

RELIEF

17. COUNTER LOSSES A Subpostmaster may exceptionally not be required to make good the full amount of certain losses at his office. If he feels entitled to relief in making good a loss he should apply to the Retail Network Manager.
18. THEFT OR BURGLARY The question of granting relief will depend upon whether the Subpostmaster has taken reasonable precautions to safeguard the official cash and property.
19. FRAUD All cases of fraud or attempted fraud should be reported immediately to the Regional General Manager.

(APPENDIX 1 FOLLOWS)

APPENDIX 1

ACCIDENTAL LOSS

If at any time any items of stock (including stock of no intrinsic value such as motor vehicle licences) is found to be missing. Steps must be taken at once to ascertain what has happened to the missing items. The serial numbers must be ascertained (see 2(a)) and verified by examination of items in stock, and the requisition forms examined to discover whether or not any of the items purport to have been issued out of sequence. All the requisition forms for the previous 3 months must at the same time be impounded and held for instructions. If, after careful search, the missing items cannot be found and are thought to have been mislaid only, or inadvertently destroyed, a preliminary report of the loss giving the serial numbers of the items in question must be sent to the Regional General Manager.

STOLEN ITEMS

1. If as a result of burglary, break in, theft, or suspected theft any items of stocks are missing the facts should be reported as quickly as possible to the Regional General Manager.
2. The further details which will be required, and which should be obtained and submitted to the Regional General Manager at the earliest opportunity, are as follows:
 - (a) The denominations, total values and serial numbers of missing or stolen items, so far as they are known, with serial numbers of any remaining stocks.
 - (b) A statement as to whether the date stamp of the sub-office has been stolen, and if so, particulars of the type in it when stolen. If the date stamp has not been stolen a statement should be given which should intimate whether there is a reason to believe that it has been used upon the stolen items.
 - (c) A specimen impression of the date stamp and, if it was stolen, particulars of the type in it when stolen.

- (d) A statement of the circumstances which are thought to show that a theft has been committed and of the supposed date, time and method of commission. It should include, if possible, written report from the person who last saw the missing items and the person who first discovered the loss. The former should say when the items were last seen, in what place and in what kind of receptacle (locked or unlocked) they then were. The latter should state how and when the loss was discovered and describe exactly the condition of the place and of the receptacle from which the items were apparently taken.
- (e) Particulars of any cheques, including the transaction for which they were accepted.

END