

**Stephen Dilley**

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**From:** Gareth Kagan on behalf of Stephen Dilley  
**Sent:** 16 January 2007 13:28  
**To:** 'mandy.talbot'; **GRO**  
**Subject:** Draft Judgment: P.O -v- Castleton  
**Attachments:** JT Post Office v Castleton drft.doc

Dear Mandy,

I refer to our telephone conversation this afternoon.

The Court has sent to us a draft copy of the judgment that will be formally handed down on Monday (copy attached). As it is embargoed, please don't disclose it to anybody else for the time being.

I am delighted to confirm that we have obtained judgment in the full amount of the claim i.e. £25,858.95. (This even includes the Lottery claim of £100.20 that we thought was the weaker part of our case). The key points arising from the judgment are as follows:

1. The Court decided that the burden of proof lies on the sub-postmaster to show that the account was wrong.
2. The Judge considered in detail all the assertions Mr Castleton made about Horizon. He found no flaw with the system.
3. The Judge found that the Post Office's witnesses were reliable. In particular, he mentions Anne Chambers (Fujitsu), Andrew Wise, Michael Johnson, Helen Rose and Ruth Simpson.
4. The Judge stated that he was satisfied that the substantial unexplained deficiencies which occurred in weeks 42 to 51 and in week 52 and to the close of business on 22 March 2004 "are real deficiencies and as such are irrefutable evidence that Marine Drive was not properly managed at the material time... the losses must have been caused by his own error or that of his assistants."
5. The Judge dismissed Mr Castleton's counter claim.

The Judgment is carefully reasoned and it will be difficult for Mr Castleton to successfully appeal it should he decide to seek permission to appeal.

The P.O now has a judgment which shows there was no problem with the Horizon system and which it can use as a precedent in future cases where sub-postmasters raise similar allegations. Counsel describes it as a "slam dunk."

On Monday the Court will decide how much interest to award on the judgment plus the question of costs. As previously discussed, the Court may decide to fix the Post Office's costs at a certain level because the costs exceed the amount at stake, but we will of course put forward strong arguments to try to ensure that the P.O is awarded as much of its costs as possible. In particular, we beat our CPR Part 36 offer and Mr Castleton turned down the opportunity to mediate, both of which count in our favour.

I will update you after Monday's hearing.

Kind regards.

Stephen Dilley

16/01/2007

Solicitor  
r and on behalf of Bond Pearce LLP  
DDI: [REDACTED] GRO  
Main office phone: [REDACTED] GRO  
Fax: [REDACTED] GRO  
[www.bondpearce.com](http://www.bondpearce.com)