

Stephen Dilley

From: Stephen Dilley
Sent: 27 September 2006 10:52
To: 'tony.h.kane@GRO'
Cc: 'carol.king@GRO'; 'andy.r.pearson@GRO'; Tom Beezer;
'mandy.talbot@GRO'
Subject: Post Office -v- Castleton
Attachments: eCopy scanned document.pdf

Dear Tony,

I refer to our telephone conversation this morning.

Below is an extract from a draft witness statement in the Castleton case, by way of background:

" On a number of occasions whilst I was the temporary subpostmaster at the Marine Drive branch, Mr Castleton informed me that he thought that that whilst he was subpostmaster, the suspense account had been "doubling up" the losses. He said that although he had transferred the shortfall from his Cash Account into the Suspense Account, the system was showing increasing deficits.

Catherine Oglesby contacted me around 5 May 2004 and told me that Mr Castleton had also spoken to her about the suspense account and she wanted to test whether it was in fact doubling up the losses. I told her that I was a few pounds over so far that week. Ms Oglesby asked me to print an office snapshot (pages) which shows that the cash was £41,777.87. She then asked me to transfer £100 into the shortages line on the suspense account which I did and then to print a second snapshot (pages) and a suspense account report (pages). The £100 was in the correct place and the cash figure had reduced by £100 to £41,665.53 (in fact, it had reduced slightly more than this due to an unrelated transaction(s) performed before the snapshot was printed). This appeared to show that the system was working correctly.

Ms Oglesby asked me to balance with those amounts still in the account as I should balance £100 over. She said she would then call me a few days later and ask me to transfer the £100 out off the suspense account, to see if the opposite occurred. I balanced later that day and left Ms Oglesby a message on her telephone to confirm that I had balanced £100 over, as expected.

On 7 May 2004 Ms Oglesby visited me at the Marine Drive branch. She asked me to firstly print an office snapshot (pages), then to remove the £100 from the suspense account which I did, then to print a second snapshot (pages) and a suspense account report (pages). Again the cash figure in the snapshot had changed by £100 which suggested that the system worked correctly."

I attach copies of the following:

1. Cash Account week 6 (ending 5 May 2004)
2. The balance snapshots and suspense printouts referred to in the above extract
3. Cash Account week 7 (ending 12 May 2004).

I have 2 questions:

1. Why is there still a discrepancy surplus showing in the Cash Account for week 6 of £103.11 AND a £100 authorised cash shortage showing. Why is the surplus in the Cash account still

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showing despite the transfer of £100 into the suspense account?

2. Why is there a £101.21 shortage showing in the Cash Account week 7 AFTER the £100 was transferred back out of suspense account?

I think this is just a question of understanding how transfers between cash and suspense accounts are shown and would be grateful if you could give me a call once you've had the opportunity to review the above, to discuss.

Kind regards,

Stephen Dilley
Solicitor

for and on behalf of Bond Pearce LLP

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