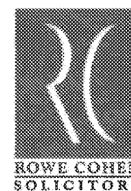
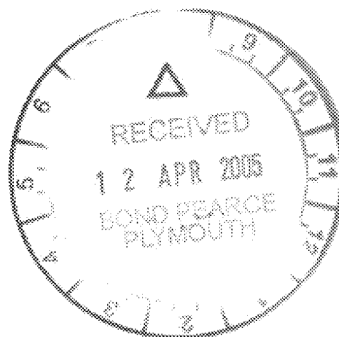


Date: 11 April 2005
Your ref: LRB1/348035.134
Our ref: MDT.113969
Please ask for: Mark Turner
Direct dial:
Direct fax :
E-mail:



Ms Laura Branton
Bond Pearce
Solicitors
DX 8251
PLYMOUTH

Dear Sirs

Our client: Mr L Castleton – Marine Drive Post Office, Bridlington
Your client: Post Office Limited

We refer to our previous correspondence and to our telephone conversation of 15 March (Mark Turner/Laura Branton). You indicated during that conversation that your client had all of the information required to make a determination of whether it intended to pursue a civil claim against our client in respect of the alleged shortfall, but that it was considering the commerciality of doing so. Has your client reached a conclusion in that regard?

We admit to being surprised that the matter even required such consideration. We had understood that it was your client policy to pursue any shortfall, no matter how small, through either the criminal or civil courts – or indeed both. Understandably, our client wishes to know where he stands and not have this uncertainty left hanging over him any longer.

Pre-action disclosure

Your client has previously returned some of the documents taken from our client's premises by his line manager, Cath Oglesby. You indicated in that letter that you were awaiting further documents from your client in respect of Weeks 51 and 52 and that these would follow in due course. Have you yet received them from your client?

Our client has previously provided you with a list of broad categories of documentation of which he requested sight. Some of those have now been provided but a number of others have not. We are instructed by our client to request copies of the following documents for the period Week 39 to Week 52 of the Post Office Accounting System:

- Automated Payment System daily reports;
- Daily TV licence payment listings;
- Weekly green Giro reports;
- Postal Order weekly reports;
- Inland Revenue weekly reports;
- Pensions and allowances weekly reports;
- The full audit trail (itemising each and every transaction carried out in our client's Post Office)

The audit trail is vitally important in that it is required to substantiate our client's belief that the Horizon computer system was not functioning properly and was not recording accurately the transactions carried out in the post office.

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INVESTOR IN PEOPLE

Our client also requires sight of the balance snapshots generated each day by the Horizon system. He already has the snapshots relating to certain days within the period in question but requires sight of those for the following days:

18-20, 22-23, 27, 29-31 December

2-3, 5-10, 12-13, 15-17, 19-20, 22-24, 26-27, 29-31 January

2-3, 5-7, 9, 19-21, 23-25 February

4-6, 8, March and all those returns for Weeks 51 and 52.

Please take your client's instructions on whether it is prepared to make the above documents available and within what time scale.

Yours faithfully

GRO

ROWE COHEN