

Stephen Dilley

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**From:** Stephen Dilley  
**Sent:** 09 November 2006 10:48  
**To:** 'Richard Morgan'  
**Cc:** Tom Beezer  
**Subject:** £3,509.68 point week 49 P.O -v- Castleton  
**Attachments:** LETTER\_1113217.DOC; STATEMENT\_1209662.DOC

Dear Richard,

I refer to our telephone conversation this morning and attach a further copy of our letter dated 18 January 2006 to Rowe Cohen dealing with the £3,500 point.

Please also see Liz Morgan's statement (copy attached) para 7 which succinctly sums up the position:

7. If a subpostmaster transferred a shortfall into the Suspense Account, the shortfall would still show in any balance snapshot printed after the transfer until after they balanced the following week. This sometimes caused subpostmasters to at first mistakenly believe that they had not transferred the shortfall from the Cash Account to the Suspense Account even though they had.

Kind regards.

Stephen Dilley  
Solicitor  
for and on behalf of Bond Pearce LLP

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09/11/2006

Stephen Dilley

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**From:** Stephen Dilley  
**Sent:** 09 November 2006 09:29  
**To:** 'Richard Morgan'  
**Cc:** Tom Beezer; Thomas Bourne  
**Subject:** Week 42 query and £3,500 point - P.O -v- Castleton  
**Attachments:** 6825.anal.doc; eCopy scanned document.pdf

Dear Richard,

I refer to my earlier email of this morning and attach for ease of reference a further copy of my 6 September email covering Castleton's £3,500 point. The simple explanation is that Mr Castleton has misinterpreted the figures for that week which is why he mistakenly thought there was no loss.

In Rowe Cohen's letter dated 25 July (copy attached) they are basically saying that Mr Castleton has compared the transaction logs with the cash accounts for week 42 themselves (just for an initial analysis) and that they don't match. They conclude that Horizon is therefore only recording half the transaction.

The P.O asked Fujitsu to look at this and I attach a further copy of their report (not disclosed to Castleton).

Rowe Cohen say that the figure of cash and stock carried over from Week 41 was £92,374.74. I discussed the 25 July letter with Mark Turner on 8 September. He had the cash accounts for Weeks 41 and 42 in front of him and I showed him that the figure actually carried forward from Week 41 was actually £54,170.02 for the cash and stock. I referred him to Page 2 of cash account for Week 41 and explained that is the figure carried forward to Week 42 because that is the cash and stock at the end of Week 41 - it says at the top of that page that it is week ending 7 January 2004. I said that the calculations Mr Castleton had carried out as set out in their 25 July letter were therefore inaccurate. Mr Castleton was mixing up his figures and I therefore queried the validity of his analysis. The sum of £92,374.74 is the cash, stock etc. carried forward from Week 42 to 43 and I referred him to Page 2 of the cash account for Week 42 for that information.

I also said to him that we really weren't sure what Mr Castleton had done by way of a manual reconciliation but that I wanted to explain to him why Mr Castleton had been inaccurate before he instructed his expert, so that his expert didn't go down the same wrong route. He said that he had thought that he had accurately set out what his client's case was in that regard but he needed now to go back to his client to check that his client is comparing the right weeks, but he understands what I was trying to say to him.

Hope this is helpful for the negotiations.

Kind regards.

Stephen Dilley  
Solicitor  
for and on behalf of Bond Pearce LLP  
DDI: GRO

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