

**Telecon 05 01 2015 RJW AvDB re Carl Page**

**ANGELA VAN DEN BOGERD:** Carl Page. Can we have a quick discussion on this?

**RON WARMINGTON:** Yeah?

**ANGELA VAN DEN BOGERD:** Are you on loudspeaker, because I'm struggling to hear you, Ron.

**RON WARMINGTON:** Yes. Hang on a second. My handset's not working properly. Is that better?

**ANGELA VAN DEN BOGERD:** Yeah, that's better. Thank you.

**RON WARMINGTON:** Yes. My concern on that one -- hang on a sec -- dog trying to chew something up next to me.

My concern on this one is that it's -- as you know, you know the way we work: we develop a hypothesis and then we try and disprove it. My early hypothesis on this case, which I think our large -- some I have disproved -- is that the asserted shortfall of originally £650-odd thousand was a product of Post Office essentially trying to claim back the profit that it would have made if he'd been selling at the full retail rate, and I'm pretty sure that's not what we're looking at.

However, what I --

**ANGELA VAN DEN BOGERD:** A follow-up point, that is the case because there's an actual loss in this branch.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** It's nothing to do with the profit between the -- you know, of the exchange rate of the --

**RON WARMINGTON:** Have you got a bit of paper in front of

you that you can write on? Let's use real numbers because I've actually -- hang on, I'll get a piece of paper as well.

**ANGELA VAN DEN BOGERD:** Can I just explain before we go any further, can I explain -- or perhaps you understand it --

**RON WARMINGTON:** Yeah.

**ANGELA VAN DEN BOGERD:** When -- Ford money changer -- and by the way, the files that you got from his solicitor, that's (unclear) and Neil Hudgell --

**RON WARMINGTON:** Yeah.

**ANGELA VAN DEN BOGERD:** (unclear) so I've been unable to find that with me, because it's years ago, is the office manual (unclear).

**RON WARMINGTON:** Well, we've -- that was in one of the files he submitted, wasn't it?

**ANGELA VAN DEN BOGERD:** Yeah, which was great actually, because that just reaffirmed my -- my recollection (unclear) it was.

**RON WARMINGTON:** And I've read that. Obviously, I'm familiar with what that says.

**ANGELA VAN DEN BOGERD:** Yeah. So the revaluation figure, so regardless of the exchange rate that was used in the Ford money changer, revaluation figure takes care of that, it balances it out.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** So there's no issue about there being a fictitious loss with regards to if you were selling at a different exchange rate, because that would just be balanced out at revaluation.

**RON WARMINGTON:** Okay, here's -- here's what I think -- here's what I am trying to disprove now.

**ANGELA VAN DEN BOGERD:** Okay, okay.

**RON WARMINGTON:** What I'm trying to disprove is that -- is that -- in the example -- one of the examples listed, and it's kind of like a real transaction, EUR 150,000 are bought for -- Post Office pays £101,000. Okay? The actual cost --

**ANGELA VAN DEN BOGERD:** Bought by what, Post Office?

**RON WARMINGTON:** Actually bought by First Rate at £100,000.

**ANGELA VAN DEN BOGERD:** Right, all finance (unclear) --

**RON WARMINGTON:** So FRTS buys it for 100K and it sells it to Post Office for £101,000. That £1,000 profit is what you'd expect the trading house to make, and that later is shared, I know, because this is a kind of 50/50 joint venture between Bank of Ireland and Post Office, that's my understanding, and it's kind of --

**ANGELA VAN DEN BOGERD:** We have a joint venture with them, yes.

**RON WARMINGTON:** Yes, in a sense it's irrelevant. For the sake of the argument the cost of that currency is I'm going to take it £101,000. What then happens is that is then held in the branch records and in Horizon as though it had cost £95,000, because that's the buy rate, it's the retail. It's actually better described as a retail buy-back rate. In that case, that is a real number that I'm talking about. Because it was held at 95,000.

He -- his story, Page's story, is that he thought that was the real cost -- this is more or less where he's supposed to be coming from -- he thought that was the real cost and that, according to the jurati(phonetic), he said -- he could tell anything as long as he didn't go below the buy rate. Okay?

He sold that, and in the real example I'm looking at, he sold that for £95,095, so he sold EUR 150,000 for £95,500, thereby, of course, making a loss of £5,500 to Post Office. Okay? I've done all this in tier counts in my working papers.

**ANGELA VAN DEN BOGERD:** (unclear) the relevance of this actually, because actually at the time that Carl Page had his branch, he wouldn't even have known that.

**RON WARMINGTON:** Known what?

**ANGELA VAN DEN BOGERD:** Wouldn't even have known that -- what the buy rate -- he wouldn't have known the mechanics behind Post Office getting this money from First Rate and what that rate --

**RON WARMINGTON:** No he was told -- no, in a sense he doesn't need to know that, and it doesn't matter whether he knew it or not. What matters is that it is -- is is well described in all of the documentation in the manuals that the currency is held at a revaluation rate which is based upon the retail buy-back rate, which in this case is 95.

**ANGELA VAN DEN BOGERD:** Yeah.

**RON WARMINGTON:** So it is held in the books as though it had cost 95,000. Now, in order to do that, Post Office has already booked a loss on revaluation, because that's described in the witness statement that's much quoted. It talks about there being an immediate revaluation loss of 6,000, because that -- that is specifically the -- I'm dealing now with --

**ANGELA VAN DEN BOGERD:** It wouldn't have been shown in branch accounts book.

**RON WARMINGTON:** No, no, it wouldn't. It would have been shown on Post Office's books.

**ANGELA VAN DEN BOGERD:** Yeah.

**RON WARMINGTON:** What Post Office does or did was it booked a £6,000 loss by marking the currency holding of EUR 150,000 to a value of 95,000 in its books, and to do that it would have had to take a re-val loss of 6,000, in addition to the 1,000 cost that's already been paid out. So it's now got currency that really cost in the open market 100,000 but it's valuing it, it's holding it at 95,000. So what he then does is he sells it not at £103,000, which is what he was required and meant to do (i.e. that was the retail sell rate), in which case he would have made for an apparent profit of 8,000 (i.e. 103 minus 95) but a real profit of 2,000 (i.e. 103 minus 101).

So I know exactly what the figures are and the profit that should have been made if he had sold that retail rate would have been 2,000, in addition to Post Office then getting 50 per cent or its share of the £1,000 that had been made upfront.

Okay, now what I think -- what I suspect has happened is that when he sold a quantity of currency for 95,500, I'm trying to prove whether -- and I hope this isn't the case -- whether Horizon -- whether what actually happened was that instead of selling -- instead of being seen to sell EUR 150,000 for £95,500, he was actually seen to be selling EUR 137,000 for 103 -- at a rate of 103, because then the amount comes out to 95,500.

If that was the case, then every time he sold at a discount, there would appear to be, as in that case, a EUR 13,000 balance remaining in the system, because the system's saying: you didn't sell all of the Euros, you only sold -- you only sold 95,500 worth of them and the remainder remain unsold.

Now, set that aside for a minute because that's long way forward from where we are. What we do know is that Post Office was alerted to this by Customs & Excise. It then said: Ooh, hang on a minute, let's work this out, and then discovered

the £650,000 shortfall. It discovered it in the sense that there had to be a write-off in Post Office's books of £650,000.

And my argument is: if there had to be a write-off of £650,000, there must have been an overcrediting in the profit and loss account up to that point of £650,000. How did that arise?

**ANGELA VAN DEN BOGERD:** Okay, we're in complete (unclear) on this one.

**RON WARMINGTON:** Yeah?

**ANGELA VAN DEN BOGERD:** So the £6,500 is a red herring because that is (unclear) cheques on hand, and the cheques that the quantity (unclear) that was taken --

**RON WARMINGTON:** I know that. I know all about that. But what I also know is that -- is that in the evidence that's supplied to the courts, to the three trials, there is a description of the amount that was actually made by -- by Whitehouse in terms of profit over and above what he would have to -- what he'd have got if he paid the retail rates of £650,000. It is a coincidence that the numbers are similar.

I know exactly about the ruddy great cheques that he wrote out, because I've seen them and I've looked at them.

**ANGELA VAN DEN BOGERD:** Right, so if we look at the case in the branch itself on the day of the order, if there was actually no foreign currency on hand in the branch --

**RON WARMINGTON:** Correct, yes because he'd given it all over to Whitehouse.

**ANGELA VAN DEN BOGERD:** That's the lot of £282,000.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** And what he did is he plea bargained it down to £90,000-odd.

**RON WARMINGTON:** I know that. I know all that. I know the whole case intimately. I've studied it in minute detail. What I'm saying is I still think -- here's what I think. I think that Post Office got this wrong right upfront. I think there was no theft of 282,000. The plea bargain down to 94 was because --

**ANGELA VAN DEN BOGERD:** Before you go on, how do you arrive at that conclusion then?

**RON WARMINGTON:** I haven't. I have not concluded yet. I'm saying this is my hypothesis at the moment, which I'm trying to disprove. The problem I'm having is that everything I'm looking at in terms of the evidence is proving that my hypothesis is right, not that it's wrong. Okay?

What I'm seeing -- even if you disregard the 650 and just talk about the 282, I -- it looks as though Post Office concluded that there ought to have been £282,000 more in sterling or currency in that branch than there was, and that's correct.

**ANGELA VAN DEN BOGERD:** Because that's what the printout from -- from both machines told us.

**RON WARMINGTON:** Yes. Yes. Well, here's my problem. When a bank does foreign currency dealing -- bear in mind I'm intimately familiar with that, (a) because I used to be a foreign exchange dealer, both in business and for my own account, and (b) because I worked for many years in banks. Banks have multi-currency accounting systems, it's like the Ford money changer on steroids. So if you have, in a sterling-based bank, loans and -- and -- which are assets -- and borrowings in different currencies, which virtually all banks have, each of those foreign currency assets and liabilities is marked to market based on the spot rate at the end of each

day, and the balance at the variation is processed into a foreign exchange profit and loss account.

Now, Horizon is not a foreign currency system, a multi-currency system; it only has sterling. The Ford money changer has multi-currency accounts, but the evidence in the documentation shows that the totals in the Ford money changer system are cleared every time a command 10, I think -- or every time a weekly report is produced. Therefore, I strongly suspect that Post -- that Horizon was maintaining a local currency equivalent of the foreign currency balances meant to be held and, by reason of doing that, it had basically come to the conclusion that there was more currency left in that branch than there really was. Why? Because he'd handed it all over to Whitehouse.

Whitehouse -- I've seen what -- Whitehouse's bank account. It's all in that stuff. You can see he was running a balance in his current account of best part of £400,000 at one point, and huge cheques were coming in -- or drafts were coming in from Tommy Cooks, where he was basically arbitraging, as we'd refer to it, between two financial institutions: buying his Euros in the Post Office and flogging them back to Tommy Cooks, and making more than he could possibly make in his recycled plastics company.

**ANGELA VAN DEN BOGERD:** Yes.

**RON WARMINGTON:** Now, he was -- you know, police and the subsequent -- the first trial for conspiracy to defraud found no evidence of conspiracy between the two parties. It looks, on the face of it, that this ex-professional footballer, Page, was a complete and utter dope and had -- was getting no particular benefit out of this. He was just handing it over --

**ANGELA VAN DEN BOGERD:** He was getting benefit out of it. He was getting the -- so we pay him a remuneration based on the value of the sales.



**RON WARMINGTON:** No, you don't. You pay him £1.16 per transaction regardless of size. That's in the evidence.

**ANGELA VAN DEN BOGERD:** But he would have been increasing his remuneration as a result of selling more.

**RON WARMINGTON:** Bugger all. He gets £1.16 -- it was shown as £1.12 and later corrected to £1.16 -- per transaction, regardless of size. I mean, I'm not --

**ANGELA VAN DEN BOGERD:** Why was he going it then?

**RON WARMINGTON:** I'm coming to that. I cannot see why he was moronic enough to be doing this. What I'm getting at is, it is entirely possible in my mind that he was getting some benefit that hasn't been disclosed by the court. However, the key issue is that I do not see any evidence in any of the trials that any money at all was stolen. Okay? There is no evidence that I've seen yet -- I'll still got about 1,000 pages to go through -- but I've seen nothing in the evidence in the POIR or anything else that convinces me there was any money stolen.

**ANGELA VAN DEN BOGERD:** Right. So whether it was stolen or not there was an actual loss on the day of the audit, Ron.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** £282,000.

**RON WARMINGTON:** Well, I'm not sure it was a loss on the day of the audit. I think that loss would have been accumulating every time he put one of these transactions. What I'm trying to get --

**ANGELA VAN DEN BOGERD:** If that were the case then, he would have been -- so assuming that's -- what you're saying is right, he would have been declaring a loss on his Horizon System.

**RON WARMINGTON:** No. No, I don't think so. I think he

was registering the sales through and Post Office was for some reason failing to record the individual losses. Take the example we've just looked at, and we only need to look at, like, maximum of three. One would be enough, just this one transaction would be enough to say: let's trace this transaction through. EUR 150,000 were bought. Post Office paid 101,000 --

**ANGELA VAN DEN BOGERD:** No, I think you overcomplicated this. You have to go into the actual branch itself, because that's where the accounting is done, in the branch.

**RON WARMINGTON:** All right, okay.

**ANGELA VAN DEN BOGERD:** So every week he is required to check the actual face value of each of those currencies on hand, (unclear) Ford money machine.

**RON WARMINGTON:** Yes, I can see that.

**ANGELA VAN DEN BOGERD:** Yes, and then what that does is it generates a sterling equivalent that he puts into the Horizon System.

**RON WARMINGTON:** Yeah, I think that's where it was going wrong. What I cannot see --

**ANGELA VAN DEN BOGERD:** No, but if that were to have gone wrong --

**RON WARMINGTON:** Yeah.

**ANGELA VAN DEN BOGERD:** -- that means that his Horizon System would be generating a loss, because the -- so at the point at which the bureau de change is introduced into the branch there's a baseline figure.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** Say he starts off with just EUR100, let's just make it simple, starts off with

EUR 100 face value, whatever happens to the face value of that in terms of the exchange rate is covered off by the revaluation figure that goes into the Horizon System. So the revaluation figure and the sales figure, sterling equivalent, balance out.

**RON WARMINGTON:** Well, the problem --

**ANGELA VAN DEN BOGERD:** (unclear) would be on a weekly basis.

**RON WARMINGTON:** Here's the problem I've got. If a bank was doing this, it would maintain perpetually a running balance, with an audit trail of how it was derived, of every currency, asset and liability. All right? We have every asset and every liability in whatever currency recorded.

So in the example -- which is, frankly, I will come back to the example that I've got on my piece of paper, because it is the example that's quoted in the primary court case, i.e. the third trial. In that, the money -- the EUR 150,000 is bought for 100,000 by FRTS, Post Office pays 101,000 for it, it marks it to market to 95, and the evidence -- the witness statement says that that means that a £6,000 loss is booked immediately by Post Office, not by the branch. So Post Office has now booked a £6,000 loss.

**ANGELA VAN DEN BOGERD:** No loss booked against the branch.

**RON WARMINGTON:** I know that. The branch is then supplied with currency that -- that has a holding value, is reval'ed at £95,000. Right? When he sells it for 95,500, which is exactly what he did here, but he did it loads of times, Whitehouse walks out with EUR 150,000, which he goes and flogs at Tommy Cooks for about £100,000. So he's making £4,500 or so every time he does this.

**ANGELA VAN DEN BOGERD:** Yeah.

RON WARMINGTON: Now, meantime, Post Office has already booked a loss of £6,000 in its books in head office. Right?

ANGELA VAN DEN BOGERD: Yes.

RON WARMINGTON: Or in Hemel Hempstead or wherever it's doing the accounting

ANGELA VAN DEN BOGERD: Yeah, yeah, outside the branch.

RON WARMINGTON: Outside the branch.

When he sells -- if he had sold that for £103,000, you would expect Post Office's accounting system to book an £8,000 uplift, i.e. it's booked 6,000 negative, it now books 8,000 positive, which gives it -- brings it back to 2,000 positive net, which is the current answer. Okay?

ANGELA VAN DEN BOGERD: Mmm.

RON WARMINGTON: Now, I don't think that was being done right, because if --

ANGELA VAN DEN BOGERD: Ron, regardless of whether that was being done correctly or not --

RON WARMINGTON: You can't disregard that.

ANGELA VAN DEN BOGERD: (unclear) whether or not Post Office (unclear) making money on that --

RON WARMINGTON: No, you --

ANGELA VAN DEN BOGERD: -- it transacted through the branch at nil.

RON WARMINGTON: It doesn't --

ANGELA VAN DEN BOGERD: At nil.

RON WARMINGTON: It doesn't matter. What matters is -- I'm trying address why a -- or how a 282 or £600,000 loss

can build up over the course of several years in Post Office's books without being noticed.

In other words, transactionally it must have been told -- Post Office must have been told of the sale that I'm now talking about. It must have been told that, instead of selling EUR 150,000 for £103,000 he had sold the bloody lot for a stupid price of 95,500, thereby making not a profit the Post Office now expects of 8,000 but a profit of only 500. All right?

**ANGELA VAN DEN BOGERD:** What you have to bear in mind, he's in branch of many --

**RON WARMINGTON:** I know that, I know --

**ANGELA VAN DEN BOGERD:** -- the figures at head office would have been amalgamated figures.

**RON WARMINGTON:** Yeah, that's exactly what I think was the problem. By amalgamating all the figures to the local currency equivalent, across an entire series of 1,000 branches that were operating bureau dechanges, and across probably 20 or so different currencies, I think what happened was those sales that he was making did not get noticed.

In other words, it was not noticed that, having a loss of £6,000 on reval and having -- if you like, expecting, transactionally, a profit of £8,000, what actually came in was a profit of only 500, and, therefore, a residual loss of 5,500 was in the books of Post Office relating to that transaction.

**ANGELA VAN DEN BOGERD:** (unclear) this branch, it wouldn't have got passed back to the branch, Ron.

**RON WARMINGTON:** No. What I'm saying is, if Post Office now, and I think you'd probably agree, on that transaction finished up, when the dust settled on that transaction, with a £5,500 loss, i.e. it had marked it down by 6,000 on original purchase --

**ANGELA VAN DEN BOGERD:** Yes.

**RON WARMINGTON:** -- and it made a seeming profit of 500, that gives it £5,500 loss, that was still sitting in the books of Post Office in its profit and loss account. That loss was sitting there.

Now, what I'm getting at is that -- I think the sum total of all those £5,500 came to in excess of £600,000. That's what the evidence shows me.

Now, if that's the case, then if that loss -- sorry, if that extra profit that Post Office had wrongly been booking to itself had accumulated, which it clearly had, and was then discovered when Customs & Excise came in, how could that possibly be theft by the applicant? It isn't theft, it's an accumulation of bad deals that he's booked.

**ANGELA VAN DEN BOGERD:** Okay. So what you've just described is head office activity which is outside the activity of the branch.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** Anything that passed through the branch --

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** -- would have been balanced out to a revaluation figure put into Horizon, therefore that branch balanced.

**RON WARMINGTON:** But I find the revaluation process to be fundamentally unsound in banking terms, all right.

**ANGELA VAN DEN BOGERD:** Why?

**RON WARMINGTON:** Because -- because -- I've probably used the phrase before -- no more netting. It's a principle I've employed as a chief financial officer throughout my career, and bear in mind I've been a chief financial officer of a global fund management company, multi-currency, a bloody sight bigger than Post Office.

What I'm saying is, to hold in only one currency, sterling, the revaluation results of multiple currencies across multiple branches is bound to lead to errors of accounting for profit and loss, and that's what's happened here. Post Office has --

**ANGELA VAN DEN BOGERD:** No, I think you're missing the point around the branch. The branch is still £282,000 short.

**RON WARMINGTON:** I'm not sure that it was.

**ANGELA VAN DEN BOGERD:** But it was.

**RON WARMINGTON:** Well, if it was, it's arrived out of this revaluation process.

**ANGELA VAN DEN BOGERD:** No, no, the revaluation has nothing -- no, no. So -- so what the person balancing the currency does at the time is physically counts each of currency notes on hand and verifies: I've got EUR 360, and (unclear) currencies he's got.

**RON WARMINGTON:** Right, Angela, that would be fine if -- and it may be in the evidence pack, I haven't seen it yet but it may be there -- if there is a document that discloses, and it will be a command 10 or a command 3 report from Ford money changer, prepared by Page that says: basically I've got £282,000 worth of currencies in my branch here, and he hadn't, then we'd have to deal with that. All right? But what I'm getting at is it is inescapable --

**ANGELA VAN DEN BOGERD:** But he would(?) have done that. I don't know whether it's in the evidence or not --

**RON WARMINGTON:** If it is, I haven't seen it --

**ANGELA VAN DEN BOGERD:** (Unclear) a number of printouts in the evidence, I haven't gone through every single one.

**RON WARMINGTON:** If it is, it was not mentioned in Stacey's witness statement or any of the witness statements that came to us prior to this delivery of all the stuff from Tom Cleary. So what I'm getting at is -- I know you are trying to steer me back to the branch's figures. What I find inescapable is that Post Office had accumulated an overstatement of its profits of what, to the evidence I've seen proves, was around £650,000. It happens to be coincidental to this nonsense about the cheques that Whitehouse had produced for about £300,000, because that's the difference between -- that's how you get back to the 282,000. But even if you set that aside, there is a huge overstatement of Post Office profits which are the accumulation of the failure to recognise -- sorry to use emotive terms -- the failure to recognise the --

**ANGELA VAN DEN BOGERD:** That's might be the (unclear), but that's not the --

**RON WARMINGTON:** It **must be**.

**ANGELA VAN DEN BOGERD:** It's not.

**RON WARMINGTON:** Because if Post Office's central --

**ANGELA VAN DEN BOGERD:** What I think has happened --

**RON WARMINGTON:** Angela, the books would not balance if I'm wrong. I tell you why. When he booked that sale, the one I'm talking about of £95,000, I need to know what bookkeeping entry took place on Horizon to reflect that sale.

**ANGELA VAN DEN BOGERD:** Well, that actual entry will not be on Horizon as one sale.

**RON WARMINGTON:** Exactly, because the answer is --

**ANGELA VAN DEN BOGERD:** It goes through the --

**RON WARMINGTON:** -- because it goes through the money



changer and it's all based on a revaluation total --

**ANGELA VAN DEN BOGERD:** Yes.

**RON WARMINGTON:** -- which makes a melange or a bouillabaisse of all the different currencies.

**ANGELA VAN DEN BOGERD:** It's the sterling equivalent of all the (unclear) exchange rate from the day, yes.

**RON WARMINGTON:** I would never have designed you a system like that, because you must hold every asset and every liability in detail in its own currency and mark them to market daily. That's what -- that's actually what FAS 23 requires you to do. That's the accounting standard on how to account for this stuff.

**ANGELA VAN DEN BOGERD:** In terms of taking this forward then, Ron, as we've done in other cases then I think we've got material evidence that -- so we've got further information that's material to this case. I think we need to take another look at this in Post Office.

**RON WARMINGTON:** I think you do. And at the moment -- horrific as it is, I will give it to you with both barrels -- I think all three trials were materially misled by Post Office in the witness statements. I think that the -- there was a -- first of all, if I look at that I think Stacey or whoever it is, that witness statement, it's a complete bloody mess in terms of lack of clarity.

**ANGELA VAN DEN BOGERD:** Well, before I comment on any of that, I'm going to have look at it in depth.

**RON WARMINGTON:** Yeah, and I think as a result --

**ANGELA VAN DEN BOGERD:** All I would say here is we would never willingly mislead anybody.

**RON WARMINGTON:** No, I know you haven't, but bearing in mind that the second trial -- the first one was the

conspiracy --

**ANGELA VAN DEN BOGERD:** I can't believe that three trials would --

**RON WARMINGTON:** Well, I can, because I've looked at the experts' reports. There was an expert from KPMG -- our first expert was Pannell Kerr Forster, and I've spoken to them and I've spoken to the expert concerned. He didn't get it, okay? He didn't join the dots up and he didn't -- he realised there was something wrong and he said so. What he didn't do was he didn't crack it. Neither -- and in fact the second --

**ANGELA VAN DEN BOGERD:** How can they be called as an expert witness then, if they haven't cracked the problem?

**RON WARMINGTON:** Because, just like everything else, there are experts and there are experts.

Now, the guy from KPMG made a complete bollocks of it. He was the one that appeared in the third trial, the one where Page was convicted, and there -- that was the most -- it was a completely useless expert report. I've spoken to the guy that wrote the better one and he -- essentially concluding that he didn't really understand what had happened. He didn't really understand how that loss had accumulated.

**ANGELA VAN DEN BOGERD:** Do you know why Page pleaded guilty?

**RON WARMINGTON:** Yes, I know why he did. I know why I'm told he did. This is by his legal counsel. What happened was he had lied to the first court. When he met his girlfriend, that became his wife, he told her that he was an army hero. He wasn't. It was a lie. She then supported him through the first trial, and it was later discovered by Post Office's prosecution barrister or team that he'd lied and he'd perjured himself. So he was threatened with

a five-year sentence for perjury. The deal that was struck was that they wouldn't pursue the perjury charge if he pleaded guilty to the reduced figure of £94,000 of theft.

He'd said throughout, "I never did -- I didn't understand where the money had gone. I certainly didn't steal it but that seemed the best deal because otherwise I might have got a lot of time for perjury". So the answer at the end of it is that he still asserts that, while he was guilty of perjury, he wasn't guilty of theft. We have one of the better, probably the best, of the professional advisers here, with a guy called Tom Cleary of a company called Frisbees. He did not represent Page on the third trial. For some reason, they had a change of defence team. He did defend him on the first two trials, the conspiracy one and the subsequent theft one which resulted in a hung jury.

My problem is that, had this matter about the individual losses been clarified in the witness statements, I'm -- you know, of course I can't tell, I wasn't in the jury room, but I would be very surprised if there had been a hung jury and, therefore, it would have never got to the third trial. So --

**ANGELA VAN DEN BOGERD:** Okay. As I say, I think we need to revisit --

**RON WARMINGTON:** Yeah, and I'll happily share with you my -- you know, accountants like myself eventually, if they get really bogged down in accounting entries, they revert to tier counts -- you know, elementary accounting -- and I've done that for: (a) what he was doing and what I think the head office accounting would have shown; (b) what he should have done; and (c) what -- well, I think I've done three different versions using three different colours to show what I think the accounting entries were. What I need to prove is what the actual entries really were and it's all in this -- taking this example, it's used in the evidence, take the £101,000 of --

ANGELA VAN DEN BOGERD: I've done that bit, Ron. I'm just not sure that it's actually relevant --

RON WARMINGTON: Well, here's what --

ANGELA VAN DEN BOGERD: -- but -- but -- but you have the advantage of you studied the --

RON WARMINGTON: I've studied it until I'm blue in the face, frankly.

ANGELA VAN DEN BOGERD: Therefore, I need to do the same.

RON WARMINGTON: Yeah, we --

ANGELA VAN DEN BOGERD: So I think in light of this conversation, I need to -- I've had -- you know, I've had the information off you.

RON WARMINGTON: Yeah.

ANGELA VAN DEN BOGERD: If you've got any more, then I obviously need that as well.

RON WARMINGTON: All I've got beyond that is -- I mean, I've got my draft -- the draft report I'm not prepared to release yet, but it would be by miles the worst report you've read in terms of --

ANGELA VAN DEN BOGERD: Well, I think --

RON WARMINGTON: -- damaging.

ANGELA VAN DEN BOGERD: -- the important point in all of this is we get to what's happened here and that's what we need to unravel. So I believe that on the evidence that we had originally, we've come to the conclusion I think that's the right conclusion. If there's further information that's become available --

RON WARMINGTON: Which there has, yeah.

**ANGELA VAN DEN BOGERD:** -- I need to be able to look at that to see whether I need to revisit what we said in our POIR. So I think in terms of process, I'll drop you a note that's formally requesting any further information you've got --

**RON WARMINGTON:** Yeah.

**ANGELA VAN DEN BOGERD:** -- and that I will now reopen the investigation into this case.

**RON WARMINGTON:** Good, because I've got it down for delivery of the draft report on 19th of this month. I put it back long way.

**ANGELA VAN DEN BOGERD:** -- (unclear) to do it by then, Ron --

**RON WARMINGTON:** No, no. Frankly, I don't think this is an urgent case but it's really important.

**ANGELA VAN DEN BOGERD:** I think, you know, given what you've said to me and the information, I'm probably saying four weeks probably --

**RON WARMINGTON:** Yeah.

**ANGELA VAN DEN BOGERD:** -- to do a proper job and if I need -- if I need to go in deep, dive in deep, as I might need to do, it might be six weeks.

**RON WARMINGTON:** Yeah, but whoever it is that looks into it, get them to -- you know, I mean, this is something that I don't want to --

**ANGELA VAN DEN BOGERD:** I don't want to arbitrate --

**RON WARMINGTON:** I don't want to blow my own trumpet but there aren't many forensic investigators that were also foreign exchange dealers and understand -- you know, remember, I worked for 27 years for the biggest foreign exchange dealing bank in the world. So I know foreign exchange dealing like the back of my head.

**ANGELA VAN DEN BOGERD:** Yes. Leave it with me. I'll let you know today on that basis before --

**RON WARMINGTON:** Okay.

**ANGELA VAN DEN BOGERD:** -- we suspend(?) any further activity from you on this --

**RON WARMINGTON:** Super.

**ANGELA VAN DEN BOGERD:** -- before we've really --

**RON WARMINGTON:** Well, I'm going to continue to sort of peruse the -- I'm, you know --

**ANGELA VAN DEN BOGERD:** Yes. Yes, I mean formal response --

**RON WARMINGTON:** Believe me, when we formulate hypotheses, like we have on this one, we desperately try to prove ourselves wrong, and what I'm trying to -- it's just that I can't -- I'm trying to work out whether it is possible that by selling for 95-and-a-half thousand quid, EUR 150,000, somehow the system, Ford or whatever, somehow got its knickers in a twist and assumed that he'd sold 137,000, not 150,000, thereby generating an apparent shortfall.

**ANGELA VAN DEN BOGERD:** The Ford money changer's brain wasn't that big actually. It's a very simple piece of equipment.

**RON WARMINGTON:** Yeah --

**ANGELA VAN DEN BOGERD:** It did what the --

**RON WARMINGTON:** -- I kind of reverse engineered the -- I do see exactly how it works.

**ANGELA VAN DEN BOGERD:** Yes.

**RON WARMINGTON:** But this business of -- you know,

I mean, make no mistake, this guy -- this guy really was an agent of his own downfall because he wasn't putting in the rates properly, he was selling the stuff -- it's hard to believe, and I've spoken to Frisbee in these terms, you would have to be pretty profoundly stupid to be selling currency at £95,000 when you could yourself walk down the round and see other people selling it for 103,000.

**ANGELA VAN DEN BOGERD:** He's gone for a lot of effort for very little gain supposedly.

**RON WARMINGTON:** Yes.

**ANGELA VAN DEN BOGERD:** That I find very remarkable.

**RON WARMINGTON:** Absolutely. But the guy that made all the -- you know, who knows why he did it. Maybe -- it's facile to think that he would have shared the fact that he didn't have bucket-loads of money coming into his bank account means that he wasn't involved. For all I know, Whitehouse could have been -- it wasn't so much collusion brought about by mutual financial gain, it could well have been threatening him in some way. He could have had some hold over him to make him do this. Who knows? But at the moment it's bloody obvious Whitehouse walked away with what looks like 600,000 quid, much more than he was ever making out of his RPX recycled plastics business, and has got away with murder.

**ANGELA VAN DEN BOGERD:** Yeah.

**RON WARMINGTON:** And, far from being stolen by Page, the money was actually handed over to this guy, Whitehouse, who at one point finishes up with huge amounts of sterling in a carrier bag or a sports bag when arrested outside Tommy Cooks.

**ANGELA VAN DEN BOGERD:** Okay. Let's proceed as I've --

**RON WARMINGTON:** Marvellous.

**ANGELA VAN DEN BOGERD:** -- and I'll drop you a note, Ron,

okay?

RON WARMINGTON: Okay.

ANGELA VAN DEN BOGERD: And we'll get on to the case,  
yeah?

RON WARMINGTON: Thank you very --

ANGELA VAN DEN BOGERD: Okay. I look forward to seeing  
you Friday?

RON WARMINGTON: Yes. Friday? Oh, next Friday, yeah,  
the 14 or something, yeah.

ANGELA VAN DEN BOGERD: No, we're this week, aren't we,  
the 9th --

FEMALE SPEAKER: That's Ian, isn't it?

ANGELA VAN DEN BOGERD: -- for questions --

RON WARMINGTON: Oh, well, at the moment I think Ian's  
dealing with that but if --

ANGELA VAN DEN BOGERD: Oh, Ian's doing it? Okay, my  
misunderstanding --

RON WARMINGTON: Yhat's right.

ANGELA VAN DEN BOGERD: -- that's Ian on Friday.

RON WARMINGTON: Yes, exactly.

ANGELA VAN DEN BOGERD: Okay, sorry.

RON WARMINGTON: Bye for now.

ANGELA VAN DEN BOGERD: Catch you soon, yeah.

RON WARMINGTON: Bye now.

**(Recording ends)**