

**R.C. MOORHOUSE & CO.**  
Solicitors.

COMMISSIONERS FOR OATHS.

R. C. MOORHOUSE  
W. D. SIMPSON  
C. WARD, LL.B.  
J. M. PICKARD, M.A.  
M. G. C. MOORHOUSE  
N. R. DICKSON

TELEPHONE: 42831 (9 LINES)  
S. T. D. PREFIX 0532

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

March 18th 1976

WDS/IM

Your ref: JJ/RR/74/168

Dear Sirs

Re: J.G.L. Poulson - A Bankrupt, Granada  
Television Limited Ats Mr. R. Maudling

We thank you for your letter of the 17th March. We are at crossed purposes.

We shall not disguise the fact that we were annoyed to discover that whilst we were relying on Counsel to agree the final Order with the other Counsel concerned, you had made an approach to the Court without reference to us. Mr. David Graham of Counsel gave the writer his personal assurance that despite all that was said it was not he who was the occasion of the delay and that he had done his best to expedite matters. We hope that we have made quite clear to you the occasion of our displeasure for what that is worth and should not this be the end of the matter?

We cannot have made ourselves clear. There is a commitment falling upon the writer and it really does preclude us from dealing with your requirements. It might well have been dealt with by now but there was an unexpected delay outside our control. We are satisfied that we are dealing quite properly with this situation and should we be mistaken in this regard well then in due course you will know how we should be dealt with.

We hope to be in a position to proceed some time during the week commencing the 5th April but we can make no promises. These delays are not occasioned by any pretext or lack of faith on our part or on the part of our client, and whilst you are quite entitled to remind us of our public duty and our obligation to assist in the administration of justice, it was not necessary.

Would you please answer the following questions in order to assist us:-

Continued ....

- (a) Have you pressed Oswald Hickson Collier & Co to give their Undertaking to the Court?
- (b) Are we at liberty to produce your list of documents to Oswald Hickson Collier & Co should we ever think it necessary?
- (c) Is there any good reason why you should not discuss the 109 reports with us now, for here we are faced with a matter of urgency, and so are you, of course, if this discovery is urgent. You are concerned to hasten Mr. Bendall's authority for access to the Company's files. Now these 109 reports are based upon what we suppose to be a most scrupulous examination of each and every file and the Company's books of account. There can be no better source for identifying letters and documents of a particular relevance than the 109 reports which were prepared by the two inspectors with the assistance of a very large and expert staff of the Department of Trade with resources far beyond those available in these offices. The production of these reports then would very much aid your purpose. We have been denied them. We do not know why. You may have access to them. Certainly it seems to us that their production would be in the public interest and could be used in connection with the administration of justice in exactly the same way as the information which you demand from us. Why then delay your concern with them. We do not understand you.
- (d) Do you agree that correspondence and other documents passing between this firm, our client, Mr. Maudling and his Solicitors should, if they are relevant, be produced by his present Solicitors in the normal course of discovery in these legal proceedings.

You quite misunderstand the position with regard to Mr. Hancock's diaries. They are better described as diaries kept by Mr. Hancock during the course of his employment by Mr. Foulson and for no other purpose and Mr. Hancock and others have conceded that the diaries which we had produced are the property of the Trustee and those diaries of his and the diaries of others which were not kept for the purposes mentioned above were retained by the individuals concerned and are not in the Trustee's possession. Your comments then are without justification and if you doubt the position you must not hesitate to communicate with the Solicitors who act on behalf of the parties concerned.

You know that we do not understand what is urgent about your requests. Please do not simply refer us to previous correspondence. Do us the courtesy of explaining it to us now. In particular, we would be obliged if you would tell us why the 109 reports are less urgent than the other documents.

Continued ....

We have reported to our client and to the Court the exact circumstances of the writer's commitments which preclude him from dealing with this matter for the time being. We are not in a position to discuss them with you. The delay should not be more than a week or so. Meanwhile you will have to wait. The present position exists so far as our client is concerned by way of our advice and we accept full responsibility. There is no doubt but that your letter is critical of us and we have thought it best then to invite our client to reconsider our continued employment in this regard if the delays of which you complain insofar as we have occasioned them are really a matter for significant criticism.

Yours faithfully

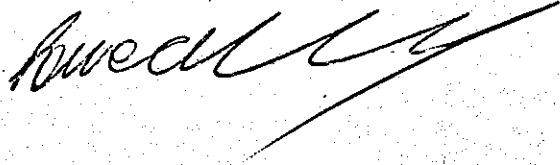
Messrs. Goodman Derrick & Co.  
4 Little Essex Street  
Strand  
London WC2R 3LD

of John Garlick Llewellyn Poulson, heard at Wakefield County Court on June 13th, July 3rd, August 1st, August 7th 1972." See top of page 25. We know that the transcripts were not made available to the Sunday Times by the Trustee. We know that the Court declined the request of a number of newspapers for access to the transcripts. We know that the shorthand writer is bound by his oath to provide transcripts only as the Court shall direct and you now know that the transcripts are provided entirely at the cost of the Bankrupt's estate and his Creditors and you may wish to confirm the procedure and the Department of Trade will assure you that the transcripts of public examinations are prepared entirely at the cost of the Creditors, quite unlike the transcripts of the evidence taken in other Courts with which you are no doubt familiar. We await your further comments.

With regard to The Times and Mr. Tendler, we realise that there will be no further interest in the interim dividend but if there are any other matters of concern to the newspaper in the future you know what arrangements would be convenient to the Trustee and the Liquidator. We are not sure whether there is any useful purpose in distinguishing between an approach direct to our clients as opposed to an approach to their Agents but at least our correspondence will have served the purpose of making it clear that all communications to our clients' Agents must be with their authority. On the matter of publicity you are quite right. Our client Mr. Priestley studiously avoided it until the 14th December and nowhere will you find him identified in reports by the media. On the 14th December he was most clearly identified in terms which we shall not repeat. This report in the Sunday Times was followed by the approach by Mr. Tendler and our client did not then understand the position. He now knows of the separate paths taken by the two newspapers as explained by you. We know that the Staff of The Times read the Guardian and hitherto both Mr. Priestley and ourselves had thought that they read the Sunday Times but it seems not and this we have explained to our client.

We await hearing from you as a matter of urgency.

Yours faithfully



A.C. Whitaker, Esq.  
The Times Newspapers Limited  
Legal Department  
P.O. Box No. 7  
New Printing House Square  
Gray's Inn Road  
London WCLX 8EZ

P.S. We enclose herewith copies of this letter for the Editor of each newspaper

JHP/GMS

23rd December, 1971

H. G. Varley, Esq.,  
House of Commons,  
LONDON S.W.1.

Dear Mr. Varley,

Derbyshire Tinners Ltd.

I thank you for your letter of the 18th instant.

I am doing all I can to help the workmen in this matter, but I am sure you will readily appreciate that liquidations usually give rise to many technical and legal problems. This particular case is made more difficult by the fact that Mr. Smith and his other director are completely opposed to each other. Mr. Smith in fact wishes to occupy part of the Company premises and I have told him that I have no objection provided he can make the necessary arrangements with the owner. Commensurate with my duty to the Creditors, which must be paramount, I shall I assure you continue to co-operate in any reasonable way.

Yours sincerely,



HOUSE OF COMMONS  
LONDON, SW1

18th December, 1971.

J. Priestley Esq.,  
Messrs Poppleton and Appleby,  
93 Queen Street,  
Sheffield 1.

21 DEC 1971

Dear Mr. Priestley,

I understand that you have been put in charge of the affairs of Derbyshire Tippers Ltd., who have a base in my constituency at Staveley.

Mr. S. E. Smith, a director of the firm, has been in touch with me and says he can find work for 13 of the men if he is given the go-ahead to use adjacent premises.

In view of the high level of unemployment in the Chesterfield area - if you can help Mr. Smith to find work for these men, I would be most grateful.

Yours sincerely,

*Eric G. Varley*

# TIMES NEWSPAPERS LIMITED

Registered office: P.O. Box no. 7, New Printing House Square,  
Gray's Inn Road, London WC1X 8EZ

Telephone 01-837 1234 Telex 264971 Registered no. 894646 England

Your ref: WDS/IM

Messrs. R.C. Moorhouse & Co.,  
Solicitors,  
Protection House,  
16 & 17 East Parade,  
Leeds, LS1 2BR

1st March, 1976

Dear Sirs,

J.G.L. Poulson - In Bankruptcy; Ian Pinkerton  
(Grain Merchants) Ltd. & Fal Engineering Co. Ltd.

I have your letter of 25th February and enclosure.

I have passed copies to Mr. Tendler of The Times and to the Editor of The Sunday Times Business News. So far as Mr. Tendler is concerned, he is naturally grateful for the information about the progress of the Poulson bankruptcy and has taken note of it. Since your letter arrived by second post the day after that on which substantially the same information had appeared in The Guardian, you will understand why we did not use it. While this was naturally something of a disappointment, we do of course appreciate that you had your prior obligation to fulfil.

Having "done everything in their power to avoid publicity" (paragraph four of your letter of 13th February) I would have thought that Mr. Priestley and Mr. Bendall would have felt more pleased than astonished that the camouflage of their identity had remained unpenetrated by The Times for so long. Be that as it may, I hope the position is now clear - there has never, as far as I know, been any direct approach by The Times to Mr. Priestley or Mr. Bendall as suggested in your letter of 11th February: apart from our recent meeting and correspondence, contact throughout has been between Mr. Tendler and your Mr. Simpson, in fact acting on behalf of Mr. Priestley and Mr. Bendall.

So far as the "official report" relating to the Fal Engineering liquidation is concerned, I understand from Mr. Colin Simpson that we are concerned with an address by the Official Receiver, in his capacity as provisional liquidator of the company, to a meeting of creditors in Plymouth on 30th September 1975. I am given to understand

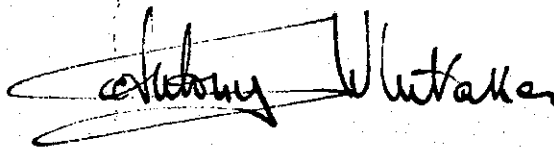
2/....

that it may be a misnomer to refer to it as an "official report" as such; and if confusion has arisen through my own or Mr. Colin Simpson's use of that term, I would naturally wish to apologize. I am told that your Mr. Simpson was present at that creditors' meeting and that he did, in fact, address it himself. The notes and observations which formed the Official Receiver's address will, I understand, be added to the statement of affairs once this has been sworn; when that has happened, it will be available to creditors and contributories and a copy will go into the company's file at Companies House.

So far as the Colour Magazine of 24th September 1972 is concerned, I need only say that it is not and never has been the practice of The Sunday Times to reveal its sources of information. Quite apart from that, there is no property in information as such and I have always taken the view that there is no copyright in a transcript of Court proceedings which could restrict its reproduction elsewhere. There is no question of our making any payment to the Trustee, either as a matter of obligation or otherwise.

Yours faithfully,

h



Antony Whitaker,  
Legal Manager.



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Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

WDS/IN

March 11th 1976

Dear Mr. Hunter

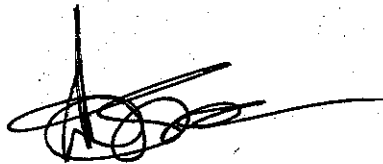
Re: J.G.L. Poulson - In Bankruptcy, J.H. Priestley  
and The Sunday Times

I enclose herewith my last two letters to Mr. Whitaker of Times Newspapers Limited together in particular with a copy of the letter from the Chief Constable of Derbyshire which I forwarded to him. I would invite your consideration of the contents of this letter.

I remain very concerned. Meanwhile, there have been significant developments in the Poulson Bankruptcy. The final outcome of these developments will not clarify for some weeks but they have my attention and quite soon I hope to have the benefit of a consultation on what I pray will be the final phase of the administration of the Bankrupt's estate.

With kind regards,

Yours sincerely



Mr. Muir Hunter, Q.C.  
3 Paper Buildings  
Temple  
London E.C.4.

WV/IR

March 15th 1916

Dear Sir

Re: J.C.L. Foulson - In Bankruptcy, Ian Pinkerton  
(Grain Merchants) Ltd & Dal Engineering Co Ltd.

We refer to our letters and we still await hearing from you.

Yours faithfully

A.G. Whitaker, Esq.  
The Times Newspapers Ltd.  
Legal Department  
P.O. Box No. 7  
New Printing House Square  
Gray's Inn Road  
London WC1X 8SZ



**Derbyshire Constabulary**

Constabulary Headquarters  
Butterley Hall  
Ripley Derby  
DE5 3RS

Telephone 0773 3551  
Telex 37667

our ref CID/G/8/76  
your ref  
tel ext 207

3rd March, 1976

Dear Sir,

Confirming the telephone conversation between yourself and my Assistant (Operations), Mr. L. T. Bowers, no complaint concerning Mr. Priestley had been received by my Fraud Squad at the dates the articles appeared in the Sunday Times of 14th and 21st December, 1975.

Yours faithfully,

Chief Constable

B. D. Armatys, Esq.,  
Ashington, Denton & Co.,  
Solicitors,  
Century House,  
84 Queen Street,  
Sheffield.  
S1 2D W

All correspondence  
to be addressed to the Chief Constable

R.C. MOORHOUSE & CO.

Solicitors.

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WDS/IM

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

March 2nd 1976

Dear Mr. Hunter

Re: The Times and The Sunday Times

I enclose copies of my further correspondence with Times Newspapers Limited for your information. I will keep you informed.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a long, sweeping horizontal stroke.

Mr. Muir Hunter, Q.C.  
3 Paper Buildings  
Temple  
London E.C. 4

---

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Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

WDS/IM

March 24th 1976

Dear Mr. Graham

I think it might be helpful if I were to send you a copy of the letter circulated to Creditors in the Liquidation of Ian Pinkerton (Grain Merchants) Limited for your file relating to the Sunday Times cannot be complete without this.

This letter, you will see, was despatched on the 6th February and to it was attached a copy of the Article which appeared in the Sunday Times on the 14th December 1975. No reference was made to the second Article.

On the 30th January 1976 Mr. Colin Simpson, in a conversation with Mr. Turner a Solicitor of Birmingham, indicated to him that the Sunday Times were investigating complaints in the Liquidation of Ian Pinkerton (Grain Merchants) Limited. You will see that this conversation took place some days before the circular letter was sent out.

Mr. Priestley the Liquidator of Pinkertons had already instructed us, in his capacity as Trustee in Bankruptcy of Poulson, that we were to investigate any complaints levelled against him. We were to do this objectively and without regard to his personal position for the purpose of:-

- (a) Reporting to the Court, and if appropriate to Creditors, and
- (b) The rectification of any justifiable complaint.

We had, of course, already reported to the Court and you are aware of our correspondence with the Sunday Times. Exactly the same position applies in the Frost Group and we also, for the sake of convenience, indicated that we were prepared to act as a line of communication with Mr. Priestley in his professional capacity in connection with any other complaints in any other case whether or not we were acting. It was thought most undesirable that complaints should be discussed with people such as Mr. Turner if they were not involved. In the event, so far as we can tell, there are no other complaints of any kind whatsoever.

Continued ....

The circular letter was not despatched to every Creditor. Indeed, no circular letter was sent to Thornby Grain Limited of which Company Mr. Priestley is the Liquidator and Mr. Weaver of Peat, Marwick, Mitchell is the Receiver and until I met Mr. Colin Simpson at his request on 17th February, I had no idea that this meeting had been convened. Mr. Simpson simply said that there was to be a meeting on Tuesday the 24th February and that the purpose was to consider a "rip off" carried out with the expertise of Poppleton & Appleby and to get Mr. Priestley removed as Liquidator.

We were actually in communication with one firm of Solicitors acting for a Creditor who had asked us to explain the contents of the Sunday Times article. Neither they nor anyone else told us of this Meeting of Creditors although we understand that at least one professional man known to us indicated that he would have nothing to do with it. Fortunately we were able to make contact with a Solicitor acting for a Creditor who had a very high respect indeed for Mr. Priestley and after we had contacted him he not only told us the correct date and place of the meeting but he indicated that he was resolved to attend the meeting on behalf of his client to obtain a clear understanding of what it was all about. Fortunately he is a partner in an eminent firm of London Solicitors so that it was convenient for him to attend.

We are also enclosing you will see a copy of a letter written by Mr. Priestley to the Committee of Inspection the moment he was aware of this meeting and there is also attached Mr. Priestley's report on the meeting which speaks for itself.

You may have seen that Mr. Bryan Armystiss is now acting for Mr. Priestley in his personal capacity. Unfortunately, it was not convenient for Mr. Cooke to attend this Meeting of Creditors but apparently there was only an articled clerk available and it was felt that Mr. Priestley should be represented in all the circumstances.

In a telephone conversation Mr. Prior did suggest that Mr. Priestley had no right at all to be present at the meeting. However, in the event, we were not prevented from joining this meeting which opened by Mr. Prior the Chairman asking me to advise whether the meeting was privileged. I advised that I did not think it was. Mr. Armystiss who had attended at very short notice was introduced to the meeting. Mr. Prior then read out the last part of the second Article in the Sunday Times. There then followed a discussion about matters which are not the subject of any complaint and the report which was agreed by Mr. Prior before it was despatched indicates what happened.

You may think it very fortunate indeed that we did not attend the meeting on Tuesday the 24th as suggested by Mr. Colin Simpson and we shall always be grateful for the courtesy of the partner in Withers who was concerned to see that there was at least some attempt to follow the rules of natural justice.

Continued ....

The only outstanding matter is that of the Frost Group or Fal Engineering Limited. Mr. Vellet of Counsel advised Mr. Priestley, on our instructions, and I think you will find, if confirmation be necessary, that every conceivable attempt was made in writing to ascertain the purpose of the Petitioning Creditor and the nature of any complaint he might have. Mr. Priestley, through us, made it abundantly clear that he would resign and Mr. Child his co-Liquidator would resign if only they could be told why. To this day no one knows what objection the Petitioning Creditor takes to Mr. Priestley or Mr. Child. Incidentally, the Sunday Times are not interested in Mr. Child apparently. Since then we have been asked to deal with an Official Report which does not exist and an address by the Official Receiver at the first Meeting of Creditors which has never been, we understand, put into a written report as yet and which, as we recollect it, defies any sort of comment.

The turbulence in Pinkertons which seems to have been completely without foundation and all these communications with Times Newspapers Limited have been very time consuming and they have served no positive purpose except to "cool the situation" by preventing any further Articles to date. I have not the shadow of a doubt but that had there been any further Articles there would have been far more turbulence and unpleasantness in the case of the Bankruptcy and Liquidations with which we are concerned and, of course, others and far worse than we have ever experienced hitherto. It is true that I have been obliged to express myself with force and I hope with clarity and I shall accept, of course, that as usual the tone and style of my communications leaves a great deal to be desired, but, after all, the style and tone was set by the article in the Sunday Times and the circular letter written by Mr. Prior. In comparison with which I think I can safely say my own letters are most courteous and kind.

I now enclose a copy of the letter from Times Newspapers Limited of the 16th March, together with a copy of my reply of even date. Now I hope that my last letter will draw to a conclusion the present phase of my relationship with Times Newspapers Limited. Certainly it brings about the situation which I hoped to achieve when I started this recent correspondence and for the moment anyway I am content. I think it would be as well however if I were to set out in this letter the guidelines for dealing with the press which were agreed so long ago against the background of my dealings with the Sunday Times, which newspaper has occasioned me so much trouble in the past.

I think we all realised very early in the Poulson case that we should all have to learn to deal with the media and at the same time we had to maintain that confidentiality which was absolutely vital to our negotiations with many parties.

Continued ....

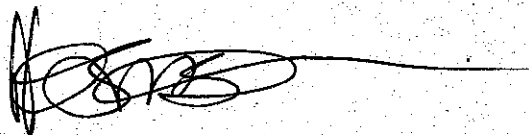
Mr. Priestley has had to bear the consequences of this breakdown in communication with the Sunday Times with fortitude. He has been put to a considerable personal expenditure so far in excess of £1,500 and some of those concerned have not yet delivered their fee notes but what is much more important is the breakdown of the relationship which was for the benefit of Mr. Poulson's Creditors. I am sure you will agree that no risks of any kind must be taken in the future. The heroic days of the Poulson case are over but the case itself continues and may do so for some time. I am warned by various sources that there is likely to be a great deal more publicity. I was obliged, of course, to break some of our rules with the Manchester Guardian but in all the circumstances this was unavoidable.

I look forward very much to our consultation on the 31st March. You will know how much the continued support of Counsel will mean to Mr. Priestley and myself.

With kind regards,

I remain,

Yours sincerely



D. Graham, Esq.  
3 Paper Buildings  
Temple  
London E.C.4.



We enclose two copies of this letter so that each Editor might refer to the whole file whenever appropriate. We also enclose a copy of the circular letter to Creditors in Pinkertons for your file.

Yours sincerely



A.C. Whitaker, Esq.  
Legal Department  
Times Newspapers Limited  
New Printing House Square  
Gray's Inn Road  
London WC1X 8EZ

R.C. MOORHOUSE & CO

Solicitors.

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TELEPHONE: 42831 (9 LINES)

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Protection House,  
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WDS/IM

March 25th 1976

Dear Mr. Hunter

Re: J.G.L. Poulson - In Bankruptcy

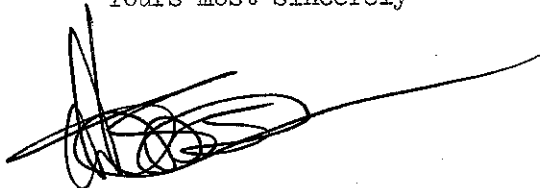
I enclose further correspondence with the Sunday Times. I hope that this latest phase of our relationship with this Newspaper is drawing to a close and that one can hope for better things. Certainly a position has been reached which I had hoped to achieve and I must hope for the best.

I am also enclosing a copy of a rather long letter to Mr. David Graham. I hesitate to weary you with all this but I think it might help to get things into their proper perspective.

I remain,

With kind regards,

Yours most sincerely

A handwritten signature in black ink, appearing to be 'J.G.L. Poulson', written in a cursive style with a long horizontal flourish extending to the right.

Mr. Muir Hunter, Q.C.  
3 Paper Buildings  
Temple  
London E.C.4.

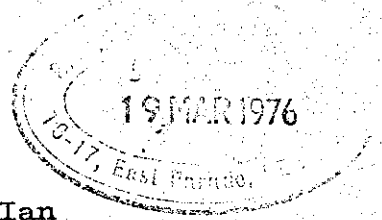
# TIMES NEWSPAPERS LIMITED

Registered office: P.O. Box no. 7, New Printing House Square,  
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Your ref: WDS/IM

18th March, 1976

Messrs. R.C. Moorhouse & Co.,  
Solicitors,  
Protection House,  
16/17 East Parade,  
Leeds LS1 2BR



Dear Sirs,

Re: J.G.L. Poulson - In bankruptcy; Ian  
Pinkerton (Grain Merchants) Ltd &  
FAL Engineering Ltd.

I have your letter of 16th March and enclosures. I have passed one of these to the Editor of The Sunday Times Business News. I am no longer passing copies of this correspondence to the Editor of The Times as I do not consider he needs to be troubled with it.

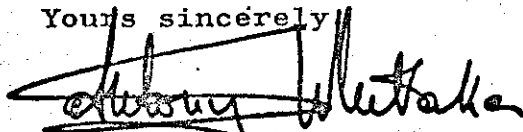
I hope I have correctly construed your first two paragraphs to mean that you are not suggesting we have acted in bad faith.

So far as FAL Engineering is concerned, I said that Mr. Colin Simpson would seek Mr. Desmond Simpson's and Mr. Priestley's comments when he had completed his enquiries. You would not, I imagine, wish him to make an approach only half-prepared.

I have noted what you say about the results of your enquiries into the complaints referred to in our piece of 14th December, and we shall make our own investigations in due course. I am glad to note what I believe to be your acceptance that The Sunday Times has not been a party to any subterfuge to mislead Mr. Priestley, either deliberately or at all.

So far as The Sunday Times Colour Magazine piece is concerned, I have already made our position clear. Your views about our right to publish what appeared are a matter for you.

Yours sincerely

  
Antony Whitaker,  
Legal Manager.

u

R.C. MOORHOUSE & CO

Solicitors.

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Protection House.

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March 16th 1976

Dear Sirs

Re: J.G.L. Poulson - In Bankruptcy, Ian Pinkerton  
(Grain Merchants) Ltd & Fal Engineering Co Ltd.

We have your letter of the 9th March and enclosure.

We must make it quite clear to you that if ever we were obliged, in the course of our duties, to level a charge of bad faith against your Company and your newspapers, we should do so in exact terms, leaving no room for misunderstanding.

We have managed to annoy you now on at least two occasions. Perhaps because we are unfamiliar with the world of journalism and lack understanding. You must tell us then what your approach, the approach of the Editor of the Sunday Times, and that of the Editor of The Times would be if ever we were under a duty to level a charge or say anything unpalatable to you and what exactly would the consequences of a change of approach be to Mr. Priestley and Mr. Desmond Simpson. Your reaction to our correspondence seems to show that there is a very real risk of a fresh approach whatever that might mean.

In the case of Fal Engineering we do not understand your present approach. We now know that you are concerned with the Official Receiver's report to creditors. You know that we are at a loss to understand what could possibly be of interest and we have not the faintest idea what aspect of the report Mr. Priestley is expected to comment upon. The Sunday Times has access to a copy of the report. We do not. You have made it clear that Mr. Colin Simpson does know now what aspect of the report is of interest and requires comment but we are not told what it is. The Sunday Times, for some months, has asked for Mr. Priestley's comments. Why won't anyone tell us what it is Mr. Priestley is expected to comment upon.

We see that the Sunday Times seems to be asking for Mr. Desmond Simpson's comments. Can you do us the courtesy of telling us on what it is you wish him to comment?

You refer to our comments on the article of the 14th December. The position was that until we ascertained the truth, the Sunday Times, Mr. Priestley, his Solicitors and

Continued ....

all those concerned, believed that Mr. Priestley had been reported to the Derbyshire Fraud Squad, the Department of Trade & Industry and Mr. Varley, and although Mr. Priestley found it difficult to believe because he was unaware that any such enquiries had ever taken place, nevertheless, such is the authority of the Sunday Times that he concluded that what was said was basically true and this is quite clearly confirmed in the second article. The extent to which the facts were wrong is remarkable and once we learned the truth we saw no reason why we should hide our feelings with regard to a series of errors which simply will not do. Furthermore, we do not accept the proposition that the publication of the second article in settlement of complaints should require us to withhold the truth from those concerned and we have made quite sure that the Sunday Times now knows the truth which we had thought it would welcome for, after all, with what else would it be concerned? We are under a duty to report all these matters to the Poulson Bankruptcy Court and those of Mr. Priestley's friends and colleagues whom we were able to inform were very pleased.

We must admit, however, that we did not take matters to their logical conclusion as you, in part, have done. You will know, on reflection, that it is not "what we say" but what the Chief Constable of Derbyshire says and our recital of the true facts to you which has caused your very obvious concern. Mr. Priestley had neither been reported nor cleared by the Derbyshire Fraud Squad, the Department of Trade & Industry, and Mr. Varley and, of course, he was misled and grievously so and that is most offensive. We realise that the Sunday Times acts on the basis of information available to it and, of course, it believes this information so that it also was misled and that too is most offensive. Now you talk of subterfuge and you may be right and if you are that would be very, very serious indeed. Let us apply our minds then as to the occasion and source of any subterfuge there may have been and cause a searching enquiry.

Your repetition of the Sunday Times' practice as to sources of information without comment on our previous observations helps us not at all and subject to any further comment you may wish to make it is quite clear that this practice is not always followed and that seems most unsatisfactory.

We have never discussed with you your right to publish proceedings in open Court. Indeed, the right so to do is in our opinion very important indeed. We only ask why the Bankrupt's estate had not been paid for the use of the transcripts. We ask this in the context of "ethics of insolvency" and our purpose, whilst not overwhelming, was to fulfil our duty to get in monies for the benefit of creditors. We shall not deny that we find it repugnant for a practice to seem to have been abandoned and then invoked but when we first communicated on the matter of the transcripts we thought that we had raised an interesting ethical point well worth discussion and with a practical application as well.

Continued ....

We are now considering the legal position. We believe that there does exist both copyright and a property in the transcripts but more of this when we complete our legal research. Meanwhile, would you please confirm:-

- (a) that you see no ethical or moral ground whatsoever upon which the Sunday Times should feel it right to make an ex-gratia payment for the use of these transcripts.
- (b) that the Sunday Times has never paid anyone for these transcripts. Your confirmation of this would break no practice rule, firm or otherwise and it could dispose of one definite claim in law.

We shall deliver before the end of this week extracts from public records which set out in exact terms the links therein disclosed between Accountants and Trade Associations. They will reveal to you the true facts which speak for themselves and need no comment from us. Incidentally, you did forget once again to tell us how Mr. Colin Simpson came to overlook the links between Messrs. Cork Gulley and the Trade Association. Please do not fail to deal with this.

We are once again enclosing two copies of this letter, one for Mr. Harold Evans the Editor of the Sunday Times, one for Mr. Rees-Mogg Editor of the Times. They now should have before them the entirety of our correspondence and from this they will be quite clear about our attitude. We have received a very positive warning that our attitude may well affect their future approach to Mr. Priestley and Mr. Desmond Simpson. We know of their great influence and power and whilst, of course, we must not be deterred in fulfilling our duties as best we may, we also know that we can rely upon them to condescend to write to us setting out exactly what their individual future approach will be.

We await hearing from you.

Yours faithfully

A.C. Whitaker, Esq.  
The Times Newspapers Limited  
Legal Department  
P.O. Box No. 7  
New Printing House Square  
Gray's Inn Road  
London WC1X 8EZ

Sr. 21/12/75

# The ethics of liquidation: Mr Priestley's reply

LAST WEEK'S article on the shortcomings of the current insolvency laws and the need for their revision drew a wide response from both the public and those professional accountants who specialise in company receiverships and liquidations. No one disagreed with the suggested improvements, but two points which were made have excited some controversy. We criticised what we regarded as the over-close relationship between the Wholesale Traders Association Ltd., and Messrs Poppelton & Appleby, a member firm of the Institute of Chartered Accountants, and remarked on the regularly with which liquidators employed by the latter were supervised by a Committee of Inspection drawn from the former.

However, John Priestley the liquidator we referred to felt that we had unfairly singled out him, his employers, Poppelton & Appleby, and the WTA of which he is a shareholder, for attack. In a three-hour discussion last Friday, Priestley made the following points.

First, Poppelton & Appleby are by no means the only accountants who have a trade association "in the family". There are, he claimed, many others including one or two very well-known members of the

Institute. He explained that this practice had grown up in the 19th century, in fact before the introduction of the Companies Act. Indeed, when the Bankruptcy Act of 1883 was introduced, his own association had already been established for several years. We pointed out to him that this is the 20th century.

In reply, Priestley pointed out that insofar as his firm was concerned, the Institute had never raised the matter. If it was all that wrong, he asked, why did not someone publicise the other firms, as we had publicised him. We agreed that this was an excellent idea, and have already started tracing the accountancy affiliations of other trade bodies, ranging from the Aerodrome Owners Association to the Wine Trade Creditors Association Ltd. These we shall publish in due course.

Second, he expressed concern that he had listed complaints made against himself and his firm, without emphasising that only rarely were these complaints made directly to him. He explained that he is only the resident manager of the Sheffield office, and the only complaint of which he had personal knowledge related to Derbyshire Tippers Ltd. That was a complaint by a former director to the Fraud Squad, the DTI, and to his MP. In this case, Poppelton & Appleby firmly rejected the complaint and the Fraud Squad and the DTI equally firmly rejected it too.

"Complaints," said Priestley, "are part and parcel of a liquidator's life." We handed on to him several others we had received and he assured us that once he had access to his files on his return home, they would be dealt with promptly, as would any others which might turn up, either by himself or by the person in charge of the relevant office.

As regards the liquidator being supervised by a "fame" committee of inspection, Priestley explained that membership of a committee was a thankless task, was not remunerated, and that he usually found it very difficult to get a committee together. He conceded that frequently he had the same people on several committees, and had done so for some time. However, he gave an assurance that his committees always performed their duties at arms' length, and held the requisite meetings at appointed intervals.

We taxed him with the remarkable case whereby one Poppelton & Appleby committee of inspection consisted of one man listed twice but by different Christian names. In this case, he was not the liquidator concerned, and in any case, as he understood the matter, the Official Receiver was as much at fault as his firm.

Lastly, Priestley was worried by our reference to his appointment as Trustee in Bankruptcy to John Foulson, who is now in prison. Priestley felt that our words might imply that we did not consider him to be a fit person to act as Trustee.

From the explanations and assurances given to us by Priestley, we unreservedly accept that he is a fully experienced and competent liquidator, receiver and trustee in bankruptcy and a proper and suitable person to be appointed as such.

Colin Simpson

R.C. MOORHOUSE & CO  
Solicitors.

COMMISSIONERS FOR OATHS.

R. C. MOORHOUSE  
W. D. SIMPSON  
C. WARD, LL.B.  
J. M. PICKARD, M.A.  
M. G. C. MOORHOUSE  
N. P. DICKSON

TELEPHONE: 42831 (9 LINES)  
S. T. D. PREFIX 0532

WDS/IM

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

March 16th 1976

Dear Mr. Hunter

Re: J.G.L. Poulson - In Bankruptcy, Times Newspapers Ltd.

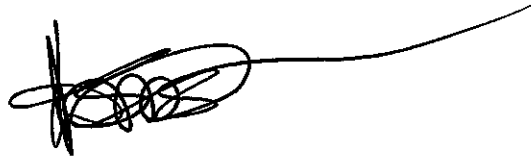
I enclose herewith a copy of a letter I have received from Times Newspapers Limited together with a copy of my reply for your information.

With kind regards,

I remain,

Yours sincerely

Mr. Muir Hunter, Q.C.  
3 Paper Buildings  
Temple  
London E.C.4.





**R.C. MOORHOUSE & CO.**  
Solicitors.

COMMISSIONERS FOR OATHS.

R.C. MOORHOUSE  
W. D. SIMPSON  
C. W A R D. LL.B.  
J. M. PICKARD, M.A.  
M.G.C. MOORHOUSE

TELEPHONE: 42831 (9 LINES)  
S.T.D. PREFIX 0532

WDS/IM

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

March 29th 1976

Dear Mr. Hunter

Re: J.G.L. Poulson - a Bankrupt, Ian Pinkerton  
(Grain Merchants) Limited & Fal Engineering Ltd.

I enclose herewith for your information a copy of a letter I have received from Times Newspapers Limited.

With kind regards,

I remain,

Yours most sincerely

Mr. Muir Hunter, Q.C.  
Z. Paper Buildings



**TIMES NEWSPAPERS LIMITED**

Registered office: P.O. Box no. 7, New Printing House Square,  
Gray's Inn Road, London WC1X 8EZ  
Telephone 01-837 1234 Telex 264971 Registered no. 894646 England

Your ref: WDS/IM                      26th March 1976

Messrs. R.C. Moorhouse & Co.,  
Protection House,  
16 & 17, East Parade,  
Leeds LS1 2BR

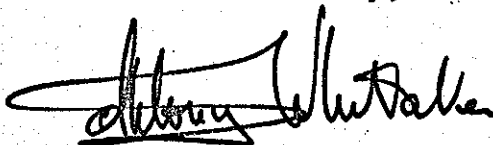
Dear Sirs,

Re: J.G.L. Poulson - In Bankruptcy; Ian  
Pinkerton (Grain Merchants) Ltd.  
and Fal Engineering Ltd.

Thank you for your letter of 25th  
March.

I have noted what you say, and have  
passed copies of it to the Editor of The  
Times and the Editor of The Sunday Times  
Business News.

Yours faithfully,



Antony Whitaker,  
Legal Manager.

WDS/IM

February 10th 1976

Dear Sir

Re: Ian Pinkerton (Grain Merchants) Ltd.

We refer to our telephone conversation today and we confirm that we act on behalf of Mr. John Herbert Priestley, the Liquidator of the above named Company.

We are told that within the past few days, Mr. Colin Simpson, the author of your newspaper's various articles on Insolvency, was speaking to Mr. Turner of Messrs. Turner Bayley & Co., Solicitors of Dudley in connection with an article which appeared in last Sunday's issue of the Sunday Times. In the course of this conversation he stated that he had a complaint with regard to Pinkerton and that he would speak to Mr. Bendall. He gave no indication of the nature or source of this complaint. Mr. Turner, the Solicitor was not in any way involved in or concerned with this Liquidation and it is Mr. Priestley and not Mr. Bendall who is the Liquidator.

Our client has no knowledge of this complaint and whilst he is resolved to deal forthwith with any justified complaint in the interests of Creditors, he cannot do so until he is informed of its nature and circumstances.

You told us that you knew nothing of this matter and that Mr. Colin Simpson was not employed by the Sunday Times but was acting as a free lance journalist. Nevertheless, there can be no doubt whatsoever but that the receipt by him of this alleged complaint and his present concern with it arises solely out of his enquiry into insolvency and the current articles which now appear in the Sunday Times. We are sure, then, that you will agree that it is important that our client be informed by your newspaper of all the information which you now have and for that matter all further information becoming available to you and touching upon his professional duties in the Pinkerton case and any other insolvency.

We act only in certain insolvencies and Mr. Priestley employs a number of other Solicitors. However, in order to help your newspaper and Mr. Colin Simpson in the course of your enquiries, and to avoid any further mishaps, our client has authorised us to communicate with you on his behalf with regard to all appointments which he now enjoys

Continued ....

and we are in a position to discuss with you any matters which concern you, at least in the first instance.

Your newspaper knows from past experience that our client is only too willing to assist you at any time and indeed he has provided us with certain information which is pertinent to the promise that you have made to your readers and which we, for our part, believe will be of great interest to you. On the other hand we know you will agree that there is no reason at all why our client should not be assisted in the exercise of his duties by your supplying all information available to you and, if appropriate, as a matter of urgency.

The writer of this letter is often in London and will be quite willing to call upon you to discuss the position if this will be helpful. Meanwhile, do let us hear from you as soon as possible, for our client would wish to make an urgent report, at least to the creditors, in Finkertons.

Yours faithfully

A.C. Whitaker, Esq.  
Legal Department  
New Printing House Square  
200 Gray's Inn Road  
London W.C.1.

WDS/IM

February 11th 1976

Dear Sir

Re: Mr. John Herbert Priestley

We are not at all sure whether your concern extends to The Times, but if it does then we must say we feel that we ought to mention that that newspaper has asked both our client Mr. John Herbert Priestley and our client Mr. R.P. Bendall to assist them in connection with various enquiries and reports in the Foulson case. Mr. Tumbler is in touch with us and, of course, we are hoping to be of assistance to him and to his newspaper.

We are expecting to meet Mr. Tumbler on Monday evening for the purpose of discussing the position. If it is your concern, or one of your associates, you may wish to join us. Meanwhile, we hope to hear from you as soon as possible.

Yours faithfully

A.C. Whitaker, Esq.  
Legal Department  
New Printing House Square  
200 Gray's Inn Road  
London W.C.1.

**R.C. MOORHOUSE & CO**  
Solicitors.

COMMISSIONERS FOR OATHS.

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W. D. SIMPSON  
C. WARD, LL.B.  
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M. G. C. MOORHOUSE  
N. P. DICKSON

TELEPHONE: 42831 (9 LINES)  
S. T. D. PREFIX 0532

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

13th February 1976.

WDS/BL

Dear Sir,

Re: Ian Pinkerton (Grain Merchants) Ltd.  
J. G. L. Poulson in Bankruptcy

We thank you for your letter of the 11th February. We would refer to our two telephone conversations. There seems to be certain areas of misunderstanding between us which must be cleared up immediately.

We were approached some time ago by Mr. Stuart Temdler of The Times newspaper who asked for our assistance with regard to the Poulson Enquiry. We did assist him and we offered him further assistance and when we did so we did it solely on behalf of our clients, Mr. John Herbert Priestley the Trustee in Bankruptcy of Mr. Poulson and Mr. Ronald Francis Bendall the Liquidator of all Mr. Poulson's companies.

When you spoke to us on the second occasion today you were with Mr. Stuart Temdler. You said and Mr. Temdler has since confirmed, that he had never heard of Mr. Priestley nor or Mr. Bendall and you said that you were amazed at the contents of our last letter to you. There is no need to be amazed. When we spoke to Mr. Temdler we spoke to him solely on behalf of Mr. Priestley and Mr. Bendall for we have no other function in the Poulson case but to act on their behalf and on their instructions. It would be grossly improper for us to act in any way except on their instructions and this of course applies both to us as solicitors and to Counsel.

Mr. Priestley and Mr. Bendall have done everything in their power to avoid publicity and presumably this is why The Times newspaper did not realise that it was they and they alone who are responsible for the administration of Mr. Poulson's estate in bankruptcy and the liquidations of his companies (although it had not escaped the Sunday Times). Despite this they have throughout this case attempted to offer every courtesy and assistance to the media as a whole and they have authorised both us and Counsel in the past to assist both your newspapers.

When we spoke to you in our first conversation we seemed to annoy you by our failure to appreciate that the Sunday Times and the Times were quite separate and independent of each other. You have made the position quite clear to us but you must understand that whilst Mr. Priestley and of course Mr. Bendall are only too willing to offer every courtesy and assistance to Times Newspapers Limited and to any of its publications they would welcome similar courtesies in respect of information which they require and quite frankly they see no reason why they should not enjoy such courtesies and assistance as you can afford.

You seem to be in some doubt as to why we say that you should be present at our interviews with Mr. Colin Simpson and Mr. Stuart Temdler. Firstly with respect to Mr. Temdler there are complex legal problems which we think we should discuss as between solicitors so that there is complete understanding. If it would help our clients will authorise Counsel to be present at such a discussion and meanwhile arrangements should be made to deal with all outstanding matters relating to the Sunday Times and Mr. Colin Simpson and naturally it would very much suit our convenience if all matters were to be cleared up at one time. There is a tentative arrangement that we shall meet Mr. Temdler on Monday evening. We are quite certain that if you are there you will be able to avoid any unwitting infringement of the independent position of each newspaper.

We await hearing from you as soon as possible.

Yours faithfully,

A. Whitaker, Esq.,  
Legal Manager,  
Times Newspapers Limited,  
PO Box No. 7,  
New Printing House Square,  
Gray's Inn Road,  
LONDON, WC1X 8EZ.

P.S. Since dictating this letter Mr. Colin Simpson has arranged to meet the writer at your offices on Tuesday at 4.30 p.m.

R.C. MOORHOUSE & CO.

Solicitors.

COMMISSIONERS FOR OATHS.

R. C. MOORHOUSE  
W. D. SIMPSON  
C. WARD, LL.B.  
J. M. PICKARD, M.A.  
M. G. C. MOORHOUSE  
N. P. DICKSON

TELEPHONE: 42831 (9 LINES)  
S. T. D. PREFIX Q532

FIRST CLASS POST

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

13th February 1976

WDS/EL

Dear Mr. Hunter,

Re: Times Newspapers Limited

I enclose herewith copies of our present correspondence with the Legal Manager of Times Newspapers Limited. I realise of course that this relates to Pinkertons in which you are not involved, but it also relates to Poulson.

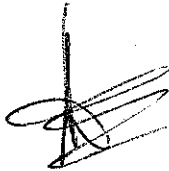
I must say I am most surprised at what I can only interpret as an atmosphere of extreme hostility so far as I am concerned, the occasion of which I am resolved to discover.

When we deal with the statement with regard to the interim dividend you are, as you will see, invited to attend so far as Mr. Priestley is concerned anyway.

With kind regards,

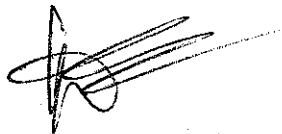
I remain,

Yours sincerely,



Mr. Muir Hunter, S.C.,  
49 Hurlingham Court,  
Ranelagh Gardens,  
LONDON, SW6.

*Re Mr. Gini Simpson and I are  
to meet on Tuesday.*







ROYAL COURTS OF JUSTICE,  
LONDON, WC2A 2LL

01-405 7641 Extn 3201

Personal & Confidential

5 July, 1973

Dear Muir,

For the purposes of my records I would be grateful if you would confirm to me that you and David Graham came to see me at my invitation on the afternoon of Friday, June 22nd. As you will recollect, I advised you that at that very time warrants were being sought for the arrest of Messrs. Poulson and Pottinger and that I appreciated that this would affect, and in my view would prevent, a continuing of the public examination. At this meeting you too accepted that this would be the consequence of the arrest, and indeed you offered to support the application for an adjournment which both you and I thought would inevitably be made on behalf of Mr. Poulson.

On Sunday, June 24th, we spoke on the telephone, when you informed me that after taking instructions you were going to apply on Monday, June 25th, for the examination of Mr. Poulson to continue in private.

At no time, including the meeting on the Friday or when we spoke on the Sunday, did you ever acquaint me of the matters which you proposed to raise in the private cross-examination of Mr. Poulson which you were to undertake on Monday, June 25th. I understand that, in my absence, you spoke with Michael Havers at lunchtime

/on

Muir Hunter, Esq., Q.C.,  
3, Paper Buildings,  
Temple, E.C.4.

On Fri. we told DS. - cross. telegrams Fri. night.  
Barber invoices for Friday am. see stat. Decl. Barber material not in London.

*signed Pats*

*Cunningham had to go on.*

*long range comm. on Sat. cont. reach any one S-G?*

*private my tentative no Barber mentioned per Mitt. no Barber known till Sat.*

*in lieu of sending up Gordon Stymon*



01-405 7641 Extn

ROYAL COURTS OF JUSTICE,  
LONDON, WC2A 2LL

- 2 -

on Monday, June 25th, and he tells me that you said that you were sending to me certain documents but, very rightly as it was an open line, you could not give Michael any details over the telephone.

I would be grateful if you would write to me confirming these facts, together with your permission to use your confirmation should the matter at any time become the subject of controversy. I am writing a similar letter to David Graham insofar as it concerns the Friday meeting.

*Yours etc.*

*Paul*

~~\_\_\_\_\_~~

3, Paper Buildings,  
Inner Temple,  
London, EC4Y 7EU.  
Tel. 01-353 3721.  
01-583 0849.

Personal and Confidential

5<sup>th</sup> July 1973.

Dear Peter

Thank you for your letter of today which -  
together with your letter to him - I have discussed  
with David Graham.

We confirm what you state in your first  
paragraph. You informed us that you had just  
signed the "fiats", and that the warrants were  
being prepared at that moment - in fact you then  
telephoned and discovered that they had been issued,  
and were on their way to the North already.

You suggested that you would send Gordon  
Stymon to Wakefield to <sup>or support</sup> make the necessary applications  
for an adjournment of the public examination, but I  
undertook to do that myself, subject of course to my  
obtaining the necessary instructions.

We had some general discussion about the  
case, mostly concerning the private examination of

Alderman Cunningham, but we had no discussion about the specific matters to be dealt with on the 25<sup>th</sup> June. As I recall it, I had not then had time or energy (after a very long flight) to formulate the alternative programme of a private examination of Pearson in lieu of the public examination. This was not formulated until the end of a long and hotly debated consultation on the Saturday, 23<sup>rd</sup> June. At that point, I attempted to locate yourself or one of your colleagues, and believe that I eventually spoke to Michael Stavers, to whom I gave a brief indication of my then instructions.

I confirm what you say in your second paragraph. You rang me after breakfast <sup>on the Sunday</sup> in some anxiety as to whether my projected programme represented a retreat from my undertaking to you to support the adjournment, and I assumed <sup>you</sup> that it did not; I had however had a strenuous time persuading <sup>my</sup> professional and lay clients to agree to the programme, for they apprehended that we might be suspected of cooperating in a "cover up" of some sort, of which there had already begun to be murmurings in the North.

/ I also confirm...

3, Paper Buildings,  
Inner Temple,  
London, EC4Y 7EU.  
Tel. 01-353 3721.  
01-583 0849.

Personal and Confidential.

I also confirm what you say in your third paragraph. At no time did I acquaint you with the matters we proposed to raise at the private examination of Robinson, which was in the event held on 25<sup>th</sup> June, for as I have said this was not in principle decided upon until Saturday 23<sup>rd</sup> June, and not worked out in detail until late on Sunday night, 24<sup>th</sup> June, at Leeds.

It was at that time, viz. late on Sunday night, that the material ultimately despatched to you on Monday afternoon was assembled; in fact, I did not see those documents until I arrived at Leeds about 6 pm.

You are at liberty to make such use of this letter as you think fit. David Graham has written to you independently. We are writing to you in manuscript in order to preserve confidentiality.

Roston & Peter Robinson, CC, MR  
HM Attorney General  
R.C.J.

Yours ever  
Muir

# THE TIMES

Times Newspapers Limited, Printing House Square, London, EC4P 4DE (Registered office)  
Telephone: 01-236 2000 Telex: 885221/4 Registered no: 894646 England

018371234

June 12, 1974

Mr. Muir Hunter,  
3 Paper Buildings,  
Inner Temple,  
London, EC4Y 7EU.

Dear Mr. Hunter,

As requested by the attached correspondent,  
I am forwarding his letter to you.

Yours sincerely,

*Margaret Allen*

Margaret Allen  
Features Editor

V<sub>re</sub>

18a Ashley Rd., N.19.  
263.1702 4.6.74

40

7 JUN 1974

Dear Sir,

The Times newspaper suggested to the Redcliffe-Maud Committee that a general inspectorate of local government should be established. The Committee found itself unable to endorse the suggestion because 'it would be contrary to the declared policy of successive governments to establish local authorities as substantially self-regulating bodies subject only to a necessary minimum of central control.' (sic)

So Lord Recliff-Maud has lent his name and his reputation to just what?

It is plain that there is no serious intention to eliminate corruption in local government; as in the police force; as with the Trades' Description Act (a blessing to the Weights & Measures depts only); as in the disposal of government surplus supplies; as with putting pollution control into local government hands; as in the domain of government costing clerks etc etc

Your suggestion is related, I take it, by your Special Correspondent-June 3rd-in his plea for an Anti-Corruption Agency. Unfortunately this does not recognize certain basic realities such as:

1. It is very rarely possible to obtain conclusive evidence in these cases.
2. Few will risk giving information when the police, the court, council and councillors may all be aligned against them. The Agency is not likely to be able to protect its witnesses from subsequent victimization.
3. Appendix C of the Report reveals the connivance of the courts (though not the identity of the justices) which implies the connivance of the police and/or the council. The choice of Agency staff from 'police, accountancy, legal and local government sources' seems therefore inappropriate, although choice is admittedly difficult - a selection of Trades' Union headquarters? No. A revival of the Folk Moot!
4. The Poulsons involve big money, and the corruption of council employees is essential to them. But they cause far less misery than the corrupt practices (not always involving money - social ambition, prestige, nepotism, spite etc) of council employees at a humbler level, where for bribery to be induced it must be a known fact that those who do not bribe suffer by the omission.
5. Can corruption be eliminated while it remains socially acceptable? I quote the Daily Mail concerning Edward Short: 'Though innocuous to those in public life, to those not in public life this sum of £250 may well sound dodgy.' There is no innocuous degree of corruption.

Could it be that you, your Special Correspondent, and the Maud Committee have all been starved of information, for reasons stated above?

Yours faithfully,



S.M. Atkinson

The Editor, the Times, E.C.4.

P.S. If you do not publish this letter, would you please send it to your Special Correspondent? S.a.e. enclosed.



01-405 7641 Extn

ROYAL COURTS OF JUSTICE,

LONDON, WC2A 2LL

6. vii. 73.

Dear Muir,

Thank you for your

prompt and comprehensive

reply to my request for

confirmations of our conversations

over June 22 - 25<sup>th</sup>.

I am most grateful





10 Downing Street  
Whitehall

8 October 1973

Dear Mr. Hunter,

In Mr. Armstrong's absence abroad,  
I am writing to thank you for your letter  
of 5 October about the Poulson bankruptcy  
case and the Redcliffe-Maud Committee.

I am looking into the point you  
raise and will see that you have an  
answer as soon as possible.

Yours sincerely

CW Roberts

Christopher Roberts (left 11.00)

Muir Hunter, Esq., Q.C.

930/1234

10.10

Spicer & Clark

30/10.



16 July, 1973

*Dear Muir Hunter*

The Prime Minister has forwarded to me your letter of 5 July about the enquiry undertaken by the Government of Jamaica into matters including the declaration of assets and income by Parliamentarians.

As you may have seen from the press, the question of whether or not we should adopt some form of register of Members' outside financial interests is one with which I am closely concerned, and I should be most grateful to have a copy of the report made to the Jamaican Legislature.

*Henry*  
*T. P.*

Muir Hunter, Esq QC  
3 Paper Buildings,  
Inner Temple,  
London  
EC4Y 7EU



ROYAL COURTS OF JUSTICE,  
LONDON, WC2A 2LL

01-405 7641 Extn

CONFIDENTIAL

9 May, 1974

*Dear Muir,*

The Committee of Privileges

Thank you for your letter dated 7th May, 1974. I am afraid that I am not in a position to provide the guidance which you ask me for. It will be for the Select Committee, when it meets, to decide what matters are material to the specific case before it and whether it needs the assistance of witnesses and documents. If it so decides, it is likely to instruct the Clerk to the Committee to take the necessary action. As you will appreciate, I am a member of the Committee, but in that capacity I am simply one of a number of members. My membership of the Committee has to be distinguished from my functions as Attorney General.

It may, however, help you to have a look at Chapter XXV of the current edition of Erskine May which deals fully with the procedure in relation to witnesses.

*Yours ever* *Jan*

Muir Hunter, Esq., Q.C.,  
3 Paper Buildings,  
Temple,  
EC4Y 7EU

R.C. MOORHOUSE & CO.  
Solicitors.

COMMISSIONERS FOR OATHS.

R. C. MOORHOUSE  
W. D. SIMPSON  
C. W A R D. LL.B.  
J. M. PICKARD, M.A.  
M. G. C. MOORHOUSE

TELEPHONE: 42831 (9 LINES)  
S.T.D. PREFIX 0532

Protection House,  
16 & 17, East Parade,  
LEEDS, LS1 2BR.

WDS/GMB/179/PO156

26th September, 1974.

Dear Mr. Priestley,

Re: Vickers Ltd. & J.G.L.Poulson.  
-----

I have continued my investigations into Mr. Poulson's dealings with Vickers Limited which you will remember consisted of package deals with various foreign Governments for the construction of hospitals and of these the most important were The Gozo Hospital in Malta which is now notorious, The Queen Pahlavi Hospital at Tehran and the Riyadh Hospital in Saudi Arabia.

I have been in dialogue with the Solicitors acting for Vickers Limited for many months and it is only now that I have been able to persuade them to permit me to go through their clients' files. What I have now discovered is not only important in dealing with certain particular claims which might lie against Vickers, but is also I think, absolutely vital in an understanding of Mr. Poulson's dealings abroad. I think it would be helpful if I were to start this interim report by reminding you of certain salient facts which we established sometime ago. These in short were as follows.

1. Mr. Poulson was always prepared to take as his reward 10% of the cost of the contract, whatever that might be. This was to be shared with I.T.C.S. Limited. There have been a number of discussions and views put forward but there is at least considerable evidence to show that 10% was far too low and that there was a built in loss at such remuneration.
2. Mr. Poulson never worked on his own. The members of the consortium varied from time to time. Sometimes there was only I.T.C.S. Limited, sometimes Vickers were included and certainly it was at least contemplated from time to time that other Companies and parties should become involved.

contd.....

3. That Mr. Poulson received benefits other than his normal fees both here and abroad, e.g. it is now quite clear that his house "Manasseh" and some of his office buildings were paid for by way of secret "commissions" which he received from the contractors with whom his clients traded from time to time. Indeed we know that in one instance there was evidence in writing that it was agreed that in consideration of him certifying monies as due to a contractor when they were not so due, he would be given credit for those monies in the cost of his dwellinghouse. We know in particular that whilst there is no direct evidence involving Mr. Poulson, his successors and others associated with him took secret commissions from suppliers to the Sheik's palace and the hotel in Abu Dhabi, and you will remember the involvement of Mr. Robinson, Mr. Conn and the secret payments to Mr. ~~Alza~~ <sup>Nasser</sup> and to Karim Azouri, who we are told, is a dealer in licit armaments.

Now, I have always suspected that Mr. Poulson was prepared to obtain business by working at the lowest possible fees making up his profits and hidden overheads such as bribes by way of commissions or what are sometimes known as "kick backs" from the contractors and sub-contractors and my main interest in this interim report is to tell you that I have discovered clear evidence of this in the case of the Riyadh Hospital.

There have been rumours from the very commencement of the Poulson Bankruptcy to the effect that a relative of the King of Saudi Arabia had been bribed by Poulson to secure the contract at a cost of £50,000 or £500,000. Up to now no positive evidence of this has ever been found by me, but I now have a copy of a manuscript report prepared by officers of Vickers whose identity I do not know, and which report can be summarised briefly as follows.

Dr. Williams the Managing Director of Vickers Medical Division and also a Director of I.T.C.S. Limited procured the contract for the construction of the Riyadh Hospital by way of an introduction to a Mr. Rizk Rizk. Now they met Mr. Rizk Rizk through a Mr. Trueman trading as Focus on Trade

contd.....

Limited and Mr. Rizk Rizk procured their introduction to an organisation known as Arcan in which his brother Mr. Fuad Rizk is a partner together with a Mr. Rajah Saab and Phillippe Trad. The whole point however, is that the President of Arcan is none other than Kaid Adhaem the brother-in-law of King Fiesal. Focus on Trade Limited was to be paid 1% of the fees paid to Vickers and they were to pay half of this to Mr. Rizk Rizk whilst Arcan (in reality the King's brother-in-law) was to receive no less than 10% of the contract price which meant £500,000 if the hospital was built at the original estimate of £5,000,000 or £1,000,000 if it cost, as was later anticipated, £10,000,000. King Fiesal I understand has for sometime been resolved to root out corruption in Saudi Arabia. Certainly there is correspondence not referred to in this manuscript report which emphasises that the King insists that there be no commissions given or received and it could be a both serious and delicate matter if it were to be revealed that his brother-in-law was to receive at least half a million and possibly a million pounds by way of commissions.

The report then makes it quite clear not only that Vickers were going to make a loss on the face of the terms they had agreed with the Saudi Arabian Government, but that there was some sort of secret arrangement between Dr. Williams and Mr. Poulson as to the amount he was actually to receive as fees. The contract seemed to show 12½% but it is said that Dr. Williams maintained that Poulson was prepared to accept 10% by way of a special arrangement. Certainly there was no possible way of paying the commission to Arcan on the face of the terms agreed except by way of adding anything between half a million and one million on the loss to be sustained by Vickers. There is no doubt of course that those involved intended to obtain money out of this contract by other and secret methods. These are quite openly discussed in the report which are in short, that certain Companies should be invited to tender and that it should be arranged before hand which Company would put in the lowest tender and that this tender would include the commission payable to the King's brother-in-law.

I do not know whether this scheme was ever put in hand. I do know that the original scheme failed because

contd.....

the Arabian Government would not accept the tenders submitted under the scheme and at the time the report was prepared the contractor who actually built the hospital had not been appointed. What I do know is that at one stage anyway, the King of Saudi Arabia challenged Vickers with taking commissions from suppliers. This was denied but there was no investigation.

I regret to have to tell you that it is quite clear from the files that I have read, that Vickers' accounts were quite deliberately drawn up so as to deceive the Saudi Arabian Government and thus avoid paying the tax properly due to that Government in respect of the monies earned under this contract. I am not sure how one could deceive the Inland Revenue in Saudi Arabia without also deceiving the Inland Revenue in this country unless one had two sets of books. Certainly it is interesting to know that the monies paid to Mr. Poulson were understated as part of the deceit of the Arabians.

I think I have now satisfied those acting for Vickers that there is a considerable body of evidence to show that whilst in the open contract entered into by the Saudi Arabian Government there was only the possibility of a small profit and indeed the probability of a significant loss, there was nevertheless not only secret arrangements to pay unauthorised commissions, but secret arrangements to obtain commissions from the contractors. I am now in a dialogue with these Solicitors, the object of which is to provide a true account of the position between Vickers, Poulson and I.T.C.S.

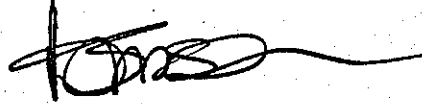
I also obtained confirmation when inspecting their files of a position relating to the Hospital Nacionales, the hospital in Mexico. You will remember that there was a note to the effect that a Mr. Echeverrai was to be employed as an Architect and that this note stated that his employment was to be "in the nature of a bribe". Vickers and Poulson were to share the cost of this. It is now clear that Mr. Echeverrai was indeed employed in connection with this contract and that the expenses were shared between Vickers and Poulson. Interesting evidence you may think of a "partnership" agreement with a special accounting procedure which would not be obvious from either party's books of account. I think I should also tell you that Mr. Echeverrai is ~~also~~ the nephew of the present President of Mexico.

contd.....

26th September, 1974.

I have already discussed with you on a number of occasions, situation concerning the Gozo Hospital in Malta. I am continuing my enquiries and I expect to be in a position to lodge a full and detailed report with you in the near future. I think I can safely say that I shall now receive all the help I need from Vickers and there is a possibility, although be it a very remote one, that Dr. Williams will be prepared to see me, if not in the United Kingdom, somewhere off-shore. It is vital that this last bit of information should not be disclosed to anyone.

Yours sincerely,



J.H. Priestley Esq.,  
Messrs. Poppleton & Appleby,  
Chartered Accountants,  
93, Queen Street,  
SHEFFIELD. S.1 1WF.

P.S. You might find it rather interesting to learn that the Mr. Trueman of Focus on Trade referred to above is almost certainly the Mr. Trueman who was the Managing Director of H. Bowen-Davies Limited, the Bankers of Gracechurch Street. These Bankers were intended to join the Vickers, Poulson, I.T.C.S. concern. *Autograph*



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16 & 17, East Parade,  
LEEDS, LS1 2BR.

WDS/KMB/179/PO/156

12th. February, 1973

Dear Mr. Allen,

re: J.G.L.Poulson - In Bankruptcy

\* I am enclosing herewith two copies of the first five pages of the Inventory now in the course of preparation and relating to the six tons of files removed by the O.R.

I spoke to Mr. Clarkson today and he tells me that there are a number of very significant files. He prefers not to identify them at the moment because the investigation is immense. Certainly there are some personal files but he assures me in any event that the full Inventory will be completed by Thursday or Friday, and he has promised to let me have the remainder of the Inventory as soon as possible.

Once we have decided which particular files we wish to see first these will be made available to us either in the original or copies. If Counsel has any particular files that they require on the enclosed Inventory could you please let me know.

I have a Conference with Scottish Counsel on Thursday. I am satisfied that only I need attend at this stage. The whole position seems to be clarifying with regard to Pottinger and I shall have something further upon which to confer with Counsel immediately after I return from Scotland.

I am to meet with Mr. Maudling's Solicitors on Tuesday, 20th. February. I am trying to make contact with the Leeds Corporation's Solicitors, and I am hoping to hear from Mrs. Poulson's Solicitors further on the matter of settlement and in particular with regard to Ovalgate in the next day or so.

I am not sure when it will be best to have the next Conference with Counsel. I am inclined at the moment that it will be best for me to leave it until next week.

Yours sincerely,



Mr. A. Allen,  
Clerk to Mr. Muir Hunter, Q.C.

\*ENCL:

ALC/VAR

J G L POULSON - WAKEFIELD 1 OF 1972

Records recovered from I P D Limited on 25 January 1973.

Bundles containing files:-

- Mr Muir Hunter DC*
177. Bundle 532 reference 1422/1/3/4 Swan Arcade, (B)
  178. Bundle 609 re. N.E.G.B. Leeds, Bridge Street, (B)
  179. Contract bundle re 136 houses, Grange Town final account (B)
  180. Bundle 575 re Stanley Royd Imp. N.E.G.B. Garforth (A)
  181. Bundle 525 re Stanley Royd, Male Ward (A)
  182. Bundle re. Newcastle Office, petty cash 1968/69 etc. (B)
  183. Applications General Housing 1965 (B)
  184. V.V. & W.H.C. Personal 1966 (A)
  185. N.C.B. Bundle 1296, (A)
  186. Norseman Hotel, Peterlee, Dimensions (A)
  187. Norseman Hotel, Peterlee (A)
  188. Kirkburton Training Centre, Job 1298, File 472 (B)
  189. Bundle 609, N.E.G.B., Leeds, Bridge Street, (B)
  190. Bundle 609, N.E.G.B., Leeds, Bridge Street, (B)
  191. 18 bundles re Norseman Hotel, Peterlee, Heart of Oak, Peterlee, Albert St. Office Block  
Eston Labour Club, Red Lion Hotel, Redcar (A)
  192. Bundle 617 Darfield Snape Hill, Job No. 1153, (B)
  193. Civic Hall, Eston, (A)
  194. Petty cash/<sup>book</sup>re Construction Promotion December 1966 to April 1969 and 3 bundles paid  
cheques (A)
  195. Bundle 492, Keighley Training Centre, (B)
  196. Computer Sheets, (B)
  197. Miscellaneous documents re N.C.B. Job No. 1296 (A)
  198. Bundle 616, St Lukes Hospital, Job No. 1073, (A)
  199. Documents re Mr C Bollinger, (B) *? Bollinger*
  200. Various bundles re Eston Labour Club, January 1967 to 1968, Public House, Roman Road,  
Vaux Breweries, Middlesbrough, Yellow Rose and Eston Urban District Council, (A)
  201. Bundle 654 Woodhouse Grove School, Job 1661, (A)
  202. W.R.C.C. School Progress Reports, (B)
  203. O.S.B. General correspondence sent from J G Watson, (A)
  204. Aviemore, Strathspey Hotel, Job No. 1614 Contractors, (A)
  205. Bundle of Stockton High Street mixed correspondence 1963-67, (A)
  206. Print-out Sheets

269. Miscellaneous files re site meetings reference 2399/5 (B)
270. " " " " " 2399/4 (B)
271. " " " " " 2399/2 (B)
272. " " " " " 2399/3 (B)
273. " " " " " 2399/1 (B)
274. Miscellaneous files (B)
275. " " (B)
276. Bundle - files Highland Tourist Local Authority, General - Scottish & Newcastle Breweries - Aviemore (A)
277. File; Red Lion, Redcar (B)
278. Box containing petty cash receipts etc (B)
279. Bundle - files, Civic Hall, Eston (A)
280. " " Shops and flats, Birchington Avenue, Eston (A)
281. Box containing miscellaneous papers (B)
282. " " " vouchers (B)
283. Bundle, files Pinderfield C.S.S.D. extensions (B)
284. " " Dewsbury & Batley Technical College, file 657 (B)
285. " " Barton Plastics (B)
286. Progress reports (B)
287. O.S.B. Drawings (B)
288. Bundle - files (miscellaneous) (B)
289. " " Stanley Royd Hospital, file 489 (A)
290. " " " " " " 489 (A)
291. " " Southmoor Hospital, file 566 (A)
292. " " 12 Ropergate, V. Rogerson, D Robson, Publications 1953, Provincial Directories, Provincial Building Society 1953/54, Price Tailors 1956/57, Pimlico Methodist Church 1953, Peckover Lease December 1958, Fairbourne Pavilion 1950, Willersley Hall, P.M. Willey & Son, Stationery, Willersley Hall, W.B. Clout, Ropewalk Methodist Church, Overhaul, Mirfield, Ocean Accident and Guarantee Corpn. (B)
293. Bundle - files Tong Secondary School (B)
294. " " Waterloo Developments (A)
295. 23 books containing details of leases received (B)
296. Clients ledger, approximately 1958 to 1961 (A)
297. Clients ledger covering period approximately 1962 to 1963 (A)
298. Clients ledger covering period approximately 1960 to 1963 (A)
299. File, Queenswood General, file 1966 (B)

300. File re office extensions, Pontefract (B)
301. File re shop fittings (B)
302. File re Normanton Private Street Works (B)
303. Box files of numerous swimming baths - Larne, Stocksbridge, British Auckland, Shildon, Wakefield, Rhyl, Flint, Reading Battersea, Knutsford; Hollywell, Preston, Nottingham Parlham, Ilkstone (A)
304. Bundle files - Ormesby Roman Catholic Primary School (B)
305. Box miscellaneous papers (B)
306. Bundle - files Darfield General and Stanley Royd General, D.C. Skell's personal file May 1968 to April 1969, file 660 (A)
307. File re Eston Turkish Baths, Factory, West Auckland Estate, 10-16 Bridge Street, Stockton-on-Tees, Oakleaf Club and Crown Hotel, Scottish Breweries, New Swimming Baths, Hartlepool, Eston Civic Hall, Housing Development, Dalton Road, Grangetown, Ernest & Henry, Bishop Auckland, 20 Flats, Hartley Street, Earby, Council Offices, Swimming Baths and Turkish Baths, Eston. (B)
308. Cathedral Duplicate book containing copy letters re Crowhall Lane, Felling (B)
309. File miscellaneous correspondence (B)
310. Bundle - files Naffi sites, Lumb's Glassworks, Castleford, Castleford Rugby F.C. St. James' Hospital, Clayton Development, file 644 (B)
311. Bundle - files Eston Turkish Baths (A)
312. File of time sheets (B)
313. File Manor House Estate, Knottingley, file 352 (B)
314. Purchase day book London office January 1955 to June 1967 (A)
315. Petty cash book April 1965 to June 1971 (A)
316. Telephone number book (A)
317. Book recording details of private telephone calls made (A)
318. Bundle - files containing details re 16 storey flats, Felling U.D.C. (A)
319. Envelope containing old insurance policies (B)
320. Bundle containing miscellaneous drawings, specifications etc. (B)
321. Bundle - files relating to London County Real Estates Ltd, office block, Albert Street, Middlesbrough, Eston U.D.C (A)
322. " " re 1135 Park Place, Harrogate, file 480 (A)
323. Bundle - files, Anson Industries, Addams & Gibbons, accounts, Anson, Baun, Bacon Baker Mallett, Beaumont, Blundell Baker, Brady, Beck & Inchbold, Bedford Scholarship, Bedrule & Usher, Blakeley, Buxton Road, Bryant, file 373 (B)
324. Bundle - files Newburn Swimming Pool (A)
325. " " " " " (A)
326. " " Manor House Estate, file 352 (B)
327. Applications - architects, H.P. & E. Pers. - Gen. Civil Engineering, file 437 (B)
328. Bundle - files The Oval, Ackworth Transport programme of work, file 464 (B)

WCC/TM

November 18th 1975

Dear Mr. Sundry

Re: J.G.L. Foulson - In Bankruptcy

I still await a reply to my last letter.

You will remember that when my client came to terms of settlement with the consortium it was agreed, inter alia, that their Accountant Mr. Sweetman of Messrs. Baker, Rooke & Co., would be kept informed of the Inland Revenue's claims and that he would be entitled to assist the Trustee in properly minimising any such claims.

I have provided Mr. Sweetman with details of the Revenue's claims and I am enclosing an extract from his letter to me. You will see from this that apart from the point which he raises he is satisfied that my client and I have done all that we could. I am sorry that I didn't raise this matter before but I am sure you will agree that the complexities of the Foulson bankruptcy are such that it is easy to miss something.

My client and I have many times received help from both the Authorities, including of course the Inland Revenue, and also from "outside sources" and in most instances such help has been very valuable indeed.

I was told by chance as it were only last week that it was thought that Mr. J.P. Tomlinson of the Inland Revenue had enjoyed social intercourse with the Bankrupt and other individuals involved through a common membership of a local branch of a Society known as The Free Masons. Now this information which was new to me was mentioned in passing on the assumption that I knew anyway and in a context in which I sought information which does not involve the Inland Revenue. I decided, however, to see if there was any correspondence or documents referring to a Mr. Tomlinson of the Inland Revenue so that I might refer to it before concluding my present correspondence with you.

I now enclose herewith copies of those letters which I have found so far. You will see from these letters that it is said that some time before the 1st September 1967 Mr. Tomlinson had luncheon with Mr. Foulson and then told him that when he retired he

Continued ....

would probably do some consultancy work and Mr. Poulson then asked Mr. Tomlinson to act for him. Following this luncheon correspondence passed between Mr. Tomlinson and Mr. Harold Bolton (a partner in the firm of auditors) who also wrote to Sir Bernard Kenyon. This correspondence would seem to show that:-

- (a) Mr. Poulson, speaking through Mr. Bolton, the auditor believed that Mr. Tomlinson was to be employed by him, not after his retirement but immediately.
- (b) That Mr. Tomlinson was to be concerned at the time of these communications with the tax ramifications of a claim to be lodged by Sir Bernard Kenyon for expenses.
- (c) Mr. Tomlinson was not prepared to act until his retirement.
- (d) That Mr. Bolton accepted, on behalf of Mr. Poulson, that neither he nor Construction Promotion Limited could have the benefit of Mr. Tomlinson's services until his retirement and that Mr. Bolton did not believe that Mr. Tomlinson's inability to act would make any difference to Sir Bernard's claim that money already paid merely represented expenses.

I recovered these expenses from Sir Bernard Kenyon and you will find that they totalled £1,500 and I would like you to confirm that this was the exact amount of the claim submitted.

The refund of the expenses is not the end of the matter. Construction Promotion Limited has claimed, inter alia, through its present officers that the monies were paid by that Company and, therefore, should be handed over so that there is a conflict between it and the general body of creditors including the Inland Revenue.

The Trustee is resolved that no proper claim shall unwittingly be defeated and he is anxious that there should be a complete investigation, so please let me have all the information available to the Revenue. There may not be a great deal but there must be some. Quite clearly Mr. Poulson is thought not only to have discussed the tax position of the Company over luncheon but also the matter of Sir Bernard's expenses. Mr. Tomlinson will no doubt have reported both the conversation and the correspondence to the Board who can now help me as follows:-

- (a) by informing me or Construction Promotion Ltd of exactly what transpired with regard to that company's tax position.
- (b) what transpired with regard to Sir Bernard's claim for expenses at the luncheon and between the date of the correspondence and the 13th May 1970 when Mr. Baker wrote to Mr. John Poulson (a copy of this letter is enclosed). I must explain that I am completely at a loss to understand why Mr. Poulson, Sir Bernard and more particularly Mr. Harold Bolton should

Continued ....

need Mr. Tomlinson, or anyone else for that matter, to assist in "the question of an expenses claim for Sir Bernard Kenyon" and this should be dealt with in depth in your reply.

You have had all the correspondence to which I have referred for some months now and no doubt you have completed your enquiries so that I look forward to a very early reply, when I would be grateful if you could also confirm, for the sake of the record, Mr. Tomlinson never at any time after that luncheon took any part of any kind in the tax affairs of Mr. Poulson or any of his companies.

The Poulson case is too complex for all outstanding matters to be cleared up easily but we must all do our best. You will remember that help has been sought in the past and two further features in this case:-

- (1) The delays in enforcing the judgments obtained whilst Mr. Poulson was still practising.
- (2) What, if anything, was done by the Inland Revenue between the Accountants' circular letter in September 1970 and the adjudication in January 1972.

Would you deal with these please in your reply. I await hearing from you.

Yours faithfully

Mr. Cundry  
Inland Revenue  
44/68 The Headrow  
Leeds 1.

I have examined the figures generally, but the only helpful comment which I think I can make at this stage is in relation to the terminal loss claim which is referred to at the foot of the "Summary of Tax Liability" page. Reference is there made to the fact that if further terminal loss relief were available to reduce the 1966/67 assessment to "nil" the total claim by the Revenue would reduce to £276,923. I do not know whether you have made any representations to the Revenue concerning further Loss Relief, but it occurs to me that the position of I.T.C.S. must surely be relevant here.

You will recall that the debits for expenses in the I.T.C.S. books came, very largely, from expenses which were charged out from the J.G.L. Poulson practice to I.T.C.S. via Ropergate Services Ltd. and also, to some extent, direct from Ropergate Services Ltd. itself. You will, no doubt, by now have had an opportunity of satisfying yourself whether the cash remitted from the Middle East did, in fact, find its way into the Accounts of J.G.L. Poulson's architectural practice and, if so, it appears

- 2 -

only right that the expenditure incurred in earning those fees should, instead of being charged to I.T.C.S. (which had little or no income) have been debited in the Accounts of the practice which actually received the fees. This is a point which may well be worth pursuing even though it would still leave the Revenue claim at a very considerable figure.

Perhaps we could have a word concerning this before you finalise matters with the Revenue.



HB/R

1st September, 1967

J. P. Tomlinson, Esq.,  
11, Linden Terrace,  
PONTFRACT.

Dear Mr. Tomlinson,

It is many years since we had the opportunity of meeting and I hope that you have been keeping very well.

I am writing to you regarding our mutual friend, Mr. J. G. L. Poulson, and his Company "Construction Promotion Limited" and my reason for writing is that I have been getting rather conflicting suggestions and instructions from him regarding the accounts of that Company and the fact that I understand that you have kindly offered to come into the picture either now or at some future date to assist with its tax affairs.

My first request from Mr. Poulson was to send you any accounts or computations before submitting them to the Inspector of Taxes (Belgravia District) but this was subsequently countermanded and as I have not got a very straight tale I am writing to you to ask what arrangement was made, as quite naturally I would like to make sure that I follow whatever you have in mind or have agreed with him.

This particular Company has its Financial Year end on 30th June and the accounts for 1966 have only recently been approved and have not yet gone to the Inspector of Taxes though tax has been paid on an anticipated assessment. I was about to send the accounts when Mr. Poulson mentioned to me his discussion with you so I have kept them back until I know precisely what to do and he no doubt mentioned to you that in addition to the tax on the Company itself there is a question of an expenses claim for Sir Bernard Venyon.

I would be glad to hear from you as to what you would like me to do and perhaps we may have the opportunity of meeting some time.

Kind regards and best wishes,

Yours sincerely,

# J G L Poulson & Partners

CHARTERED ARCHITECTS, TOWN PLANNING CONSULTANTS QUANTITY SURVEYORS

29 ROPERGATE · PONTEFRACT

CABLES: POULFAX · PONTEFRACT

TELEPHONE: PONTEFRACT 3391 TELEX: 55364

OUR REF: VB/CW/16.4

YOUR REF:

FRANK BOOTH, F.R.I.B.A., A.M.T.P.I.  
G. A. JOHNSON, DIP. ARCH. (LEEDS) A.R.I.B.A.  
A. W. LANCASTER, F.R.I.C.S., A.I.A.R.B.  
A. D. HANCOCK, B.A.R.C.H. (L'POOL) A.R.I.B.A.  
I. B. BRADDOCK, O.A. (EDIN.) A.R.I.B.A.  
D. C. SKELLS, DIP. ARCH., F.A.I.B.A., DIP.T.P.

CONSULTANTS:-

J. G. L. POULSON, L.R.I.B.A.  
M. S. TETLOW, B.A., A.R.I.B.A., M.T.P.I.

13th May, 1970

J. S. Bolton, Esq.,  
Pannell, Fitzpatrick & Co.,  
Atlas Chambers,  
King Street,  
LEEDS,  
LS1 2HS

Dear John,

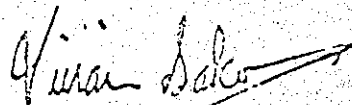
As I previously mentioned on the telephone the other day, Sir Bernard Kenyon has been extremely concerned about the payment in our account of £1,500 given to him by Mr. Poulson for travel expenses.

The position was that Mr. Poulson wanted Sir Bernard to travel overseas with his wife and this money was paid to him to cover his out of pocket expenses. Mr. Poulson gave him a letter stating that the payment was made out of his own private funds and had nothing to do with the Firm. Sir Bernard showed this letter to the Revenue in order to avoid having to pay tax on it. Mr. Poulson had in fact drawn the cheque on the Firm's account and the charge appeared in the travelling expenses for the year ended 30th June, 1968.

I have told Sir Bernard that the only way we can make an honest man of him is to disclose this amount to the Revenue and show it in the firm's accounts.

If you agree with this, perhaps you would make a note to that effect.

Yours sincerely,



Vivian Baker,  
Chief Accountant.

R.C. MOORHOUSE & CO.

Solicitors.

COMMISSIONERS FOR OATHS.

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TELEPHONE 42831 (9 LINES)  
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Protection House,  
16 & 17, East Parade,  
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WDS/IM

December 10th 1975

Dear Mr. Moorcraft

Re: J.G.L. Poulson - In Bankruptcy

I thank you for your letter of the 3rd December.

My clients and I are delighted, of course, to hear that the Board of Inland Revenue are satisfied that nothing improper took place by way of Mr. Tomlinson's acquaintance with Mr. Poulson.

I had not known that the Board had held an enquiry until I received your letter and I don't know of course what evidence it considered. I would ask, however, that you pass on any information so revealed and not available to me if it touches upon Mr. Poulson's affairs.

My clients the Trustee and the Liquidator are by no means as concerned with improprieties as the Director of Public Prosecutions, Scotland Yard and the Board of Inland Revenue, although there is the duty under Section 334 (2) which I will turn to later in this letter. They are much more concerned with the realisation of assets and the propriety of claims, and I have mentioned already the difficulty of deciding title to the "expenses" actually recovered from Sir Bernard Kenyon.

We now know from the Board of Inland Revenue's enquiry that Mr. Tomlinson was asked to advise and did advise on whether tropical clothing purchased for Sir Bernard Kenyon by Construction Promotion was allowable under Schedule E and when we turn to the correspondence, we find that Mr. Tomlinson's opinion was <sup>then</sup> disregarded. You will remember from the copy correspondence which I forwarded that on the 27th September 1967 Mr. Harold Bolton was writing to Sir Bernard Kenyon and having said that Mr. Tomlinson was not in a position to act, he said "in my own mind this will not make any difference to the claim we shall make in due course that the figure already paid merely represents expenses but I may have to have a word with you should it be necessary to establish a claim".

Continued .....



INLAND REVENUE

Somerset House, London WC2R 1LB

Telephone 01-438 6768

*From: Mr. D.H. Moorcraft*

Your ref: WDS/IM

Mr W D Simpson  
Messrs R C Moorhouse & Co  
Protection House  
16 & 17 East Parade  
LEEDS LS1 2BR

3 December 1975

Dear Mr Simpson

J G L POULSON

Your letter of 18 November 1975, addressed to Mr Gundry, Leeds Enquiry Branch, has been referred to me.

The Board have investigated the circumstances surrounding Mr Tomlinson's acquaintance with Mr Poulson and are satisfied that nothing improper took place. There was no discussion of the tax position of Mr Poulson or any of the companies connected with him at the luncheon at the Dorchester. The only reference to Sir Bernard Kenyon that Mr Tomlinson can remember was a question as to whether the cost of tropical clothing purchased for a business trip abroad was allowable under Schedule E; Mr Tomlinson gave it as his opinion that it was not.

Mr Tomlinson was the District Inspector at Pontefract from 1946 to 1949. After that he had nothing to do with Mr Poulson's tax affairs nor of those of any of the companies associated with him; to the best of Mr Tomlinson's knowledge he never met Mr Poulson after 1968. He never had anything at all to do with Sir Bernard Kenyon's tax affairs.

The Enquiry Branch will be writing to you shortly about the other open matters.

Yours sincerely

D H MOORCRAFT  
Under Secretary

What a curious position is revealed when one remembers the identity of the parties and the sequence of events. In 1966 Sir Bernard Kenyon receives tropical clothing consisting of a blue suit, a grey suit, a dinner jacket and black trousers for the purpose of a visit to Nigeria. Sir Bernard Kenyon was then, inter alia, clerk to the West Riding County Council and Clerk of the Peace. Positions of great importance and many responsibilities, one of which was to ensure the exercise of a strict control over expenses claimed from the public purse. The clothing was paid for by Construction Promotion Ltd on the 16th November 1966 with the exception of the white silk dinner jacket which was said to have been overlooked and which was paid for by Mr. Poulson on the 21st August 1967. On the 27th July 1967 Construction Promotion Ltd draw a cheque for £1,500 in favour of Sir Bernard Kenyon and which was presented by him to his Bankers on the 3rd August 1967 and this £1,500 was for "expenses".

Mr. Poulson and Mr. Tomlinson met for luncheon at the Dorchester. Mr. Poulson was a general commissioner at the Inland Revenue and Mr. Tomlinson a principal Inspector in the Inland Revenue but it must be remembered they were also acquaintances of long standing. Mr. Poulson asks only about the tropical suits. No mention is made of the £1,500 and I cannot understand why. The provision of three suits to a man in Sir Bernard Kenyon's position for a particular purpose is one thing, the payment of a round sum of £1,500 for expenses is quite another.

Mr. Poulson was in communication with Mr. Harold Bolton who then writes to Mr. Tomlinson on the 1st September 1967. Mr. Harold Bolton was then a Chartered Accountant and a partner in the firm of auditors of Construction Promotion Ltd and of Mr. Poulson's companies. This firm were also Mr. Poulson's personal accountants.

Now Mr. Harold Bolton says in his letter "There is a question of an expenses claim for Sir Bernard Kenyon" and one must ask whether this very experienced Chartered Accountant and auditor of Construction Promotion was questioning, in his mind, the provision of tropical suits for a visit to Nigeria or the payment of a round sum of £1,500 for expenses. Mr. Harold Bolton is dead and I accept that it is possible that he did not know of the payment of £1,500 and that he really was in truth concerned only to seek expert advice and assistance from Mr. Tomlinson on the tax applicable to the provision of three suits but I remember that it was he who dealt with the tax position applicable to so many other extraordinary transactions such as Mr. Pottinger's overcoat without any expert advice or help, so that I am driven to the conclusion that he must have been concerned with the payment of £1,500.

On the 6th September 1967 Mr. Tomlinson writes quite properly pointing out that he would have to postpone acting as tax consultant to Mr. Poulson and his companies until his retirement and his advice was thus limited to whether or not the provision of the tropical suits was allowable.

Sir Bernard Kenyon is alive and it is absolutely certain that he knew of Mr. Poulson's request for advice from Mr. Tomlinson. He had just received the £1,500. We know of his concern and his subsequent repayment thereof to the Trustee and there is

Continued ....

the last paragraph of Mr. Harold Bolton's letter to him which I have already quoted, thus it seems to me to be beyond all doubt that so far as Sir Bernard Kenyon is concerned the advice sought must have related to all the expenses that he had then drawn and not just to the tropical suits.

I accept, of course, that Mr. Tomlinson has not seen Mr. Poulson since 1968 and that as Mr. Poulson was ruined by 1970 and bankrupt by 1972, Mr. Tomlinson, who is not yet retired, had no opportunity to act as a consultant.

You will see from this letter that I do not understand what has occurred and you know that it is my duty to try to do so. No investigations are more thorough than those of the Inland Revenue and I have no doubt that you will have the evidence of Sir Bernard Kenyon and others and I do hope you will let me have all the information revealed by the enquiry so that I can assist my clients. You will probably know that there are huge gaps in the books of Construction Promotion Ltd. I do not have these but I understand that some pages were actually torn out of these books of account and everyone concerned needs all the help they can get. There is also the question of the Liquidator's duty under Section 334 (2). I understand that Scotland Yard continue their enquiries into the circumstances of the payment of £1,500 to Sir Bernard Kenyon. I have kept the officer concerned informed and I think you will find that Assistant Deputy Commissioner Crane is assisted in this regard by Chief Inspector Churchill-Colman and who will, I think, welcome all the information available to you. I realise that it might be said that Construction Promotion Ltd's affairs are not covered by Section 334 (2) but in the ultimate I am afraid the payment was debited, so far as I can tell, to Ropergate Services Ltd.

There is one aspect to this matter upon which I have no information. I know that Mr. Tomlinson will have reported his arrangement to accept the appointment of tax consultant on his retirement and the relevant correspondence to his superiors in 1967. We now know that Mr. Tomlinson was of the opinion that the suits were not allowable and not even Sir Bernard Kenyon attempts to justify the £1,500 which he has repaid although he has done nothing about the suits except for the white silk jacket. What I cannot understand is how they got all these items allowed and I think that the methods used could be of considerable importance.

I look forward to hearing from you with your comments as soon as possible and I remain,

Yours sincerely

D.H. Moorcraft, Esq.  
Under Secretary  
Inland Revenue  
Somerset House  
London WC2R 1LB

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Solicitors.

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October 3rd 1975

Dear *Muri*

Re: J.G.L. Poulson - In Bankruptcy

I thought you might like to know the present position in general terms.

My negotiations with the Inland Revenue, which have continued for so long, are now looking very healthy and there is just a chance that they will have been brought to a conclusion within the next week or so. Certainly many important principals have been agreed without prejudice and a compromise solution is very much on the cards.

Mrs. Poulson's Solicitor is advised by leading Counsel that Messrs. *Jones* & Hicks were clearly negligent and clearly liable and proceedings against them and probably the accountants are now inevitable.

Mr. Clarkson will have finished his work by the end of this month and has been posted to London. His promotion was effectively cancelled but he is going to apply again and I think there is every chance that he will become a senior examiner. Certainly he is to continue his career in the C.I.B. His health is much improved.

My correspondence with the Department of Trade, the Director of Public Prosecutions, the Royal Commission and the Public Records Office has come to a temporary halt pending, I think, my reaching a settlement with the Inland Revenue.

Continued ....

*Auth by Poulson 3/10*

I am told that at least some people are convinced that a tribunal is now inevitable and I was suprised to learn that extensive police enquiries are actually taking place now in Yorkshire.

Kind regards

Yours.

*Deane*

Mr. Muir Hunter, Q.C.  
3 Paper Buildings  
Temple  
London E.C.4.



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LEEDS, LS1 2BR.

October 16th 1975

Dear *Muir* -

Re: J.G.L. Poulson In Bankruptcy & The Inland Revenue

I enclose herewith a copy of my report to Mr. Priestley.

*Yours regards  
Ys  
Osman*

Mr. Muir Hunter, Q.C.  
3 Paper Buildings  
Inner Temple  
London E.C.4.

