

4031. Q. Well now, surely you must see the first question is, "What was the true relationship between I.T.C.S. and yourself?"  
A. The true relationship was that we were acting as consultants, and for which we got paid our proper fees.
4032. Q. Is that consistent with the documents, and with your own conduct with which you acted in this matter, as if you were a principal of I.T.C.S? A. No, sir, I am not a principal of I.T.C.S; I am the principal of J.G.L. Poulson. I was their consultant and did the work, and I expected to be paid for it, and that is why I rendered accounts.
4033. Q. If you look at the progress report -- A. And I am amazed that they never paid - these Dubai people never paid for them. I don't know whether they were ever approached, or anything about it.
4034. Q. But whose job was it to collect the fees for the plans?  
A. Not mine, sir, for the simple reason I had no contact with these people direct. We were given the instructions by I.T.C.S. - the requests and the instructions came direct from them - so, therefore, we rendered, rightly, the accounts to them.
4035. Q. But, Mr. Poulson, these progress reports - one of which you have in front of you - are quite inconsistent with that. You are acting, for all practical purposes, as if you were the Managing Director of the Company? A. No, sir. I am here reporting of what I know the position to be as a consultant.
4036. Q. But this is what -- A. A progress report of the work.
4037. Q. It is what I.T.C.S. is doing by your hand, is it not?  
A. No, sir. I had nothing to do with what they refer to here in the first paragraph of --
4038. Q. Where did you get all this information from in this progress report? A. In some of the cases from Nasser, in some of the cases from whoever was their representative in the Middle East, and --
4039. Q. Look at "Dubai No. 1". A. Yes.
4040. Q. "This project has been presented a few months ago and it was intimated we were commissioned to do it." A. This information was from Nasser.
4041. Q. But this is a direct contact between yourself and the client?  
A. No, sir. Nasser is the general manager in the Middle East, he was classed, and on the letter heading you will see it, of I.T.C.S.

MR. SAFFMAN: May I respectfully suggest that it might save a great deal of time if in answering these questions the debtor may be allowed to look at page 19 of his narrative?

MR. MUIR HUNTER: Yes. This is a document which we have only just received.

THE WITNESS: Well, it only confirms what I have said, Mr. Saffman.

4042. MR. MUIR HUNTER: Yes. I am not concerned really with the origin of the work that is described on page 19 of the Preliminary Statement. What I am concerned with is the relationship between people, and it is very important for the Trustee and the Liquidator to know, Mr. Poulson, whether you say that I.T.C.S. were under an obligation to pay you for your plans; whether or not I.T.C.S. was paid itself? A. I have no idea of the reply to the second question, obviously, and as far as the first question, they certainly haven't.

4043. Q. You mean even if they did not get paid by all these Shiekhs --  
A. Sir, I don't know whether they ever approached them. Have you asked them if they ever approached them for payment? They are not "all these Shiekhs"; there is only one, sir, and he is the Ruler of Dubai, and I think the man who was the agent, who probably saw Mr. Maudling, was Mhadi Tajir - I can only presume that - or Nasser; I don't know which it would be, but the instructions were given by Mr. Maudling to my office while I was away on holiday.

4044. Q. But, Mr. Poulson, your evidence is really, with respect, entirely unrealistic, is it not? A. No, sir.

4045. Q. You were providing all the money, were you not? A. Ropergate were, but --

4046. Q. Will you please not split hairs about it, you and Ropergate may be regarded for this purpose as one, a company entirely owned and controlled by yourself. So, you and Ropergate were providing all the money for I.T.C.S.'s activities, were you not? It was, in fact, merely your agent. A. No, sir, it was not, otherwise it would have acted differently. It was not an agent.

4047. Q. But it did what you told it? A. It did not, or it would have paid that bill.

4048. Q. Did you give them whatever money they asked for? A. I think so.

4049. Q. I ask you, did you provide them with all the money they asked for? A. As far as I am aware.

4050. Q. And did you know what they wanted it for? A. No, sir. Salaries I expect, and expenses, that's all.
4051. Q. Were you not told what they wanted it for? A. Not personally, no, sir.
4052. Q. How did it come about then? A. Well, the accountant and the secretary for I.T.C.S. was the accountant and secretary for Ropergate, the same person.
4053. Q. How did they get hold of your money? A. Well, that's how they did it, sir.
4054. Q. How did they get hold of it? A. Each month, I expect.
4055. Q. How did they get hold of it, Mr. Poulson? They didn't take it out of the till. A. Well, cheques were paid to them.
4056. Q. At their request? A. Yes.
4057. Q. Did they say what they wanted it for? A. I have no idea, sir. You can only find that from the records.
4058. Q. I am going to show you their accounts for the year ended 30th June, 1969, prepared on the 11th February, 1972, with a qualified auditor's report. (Handed to witness) Would you look at that sheet? Do you see that? A. Yes, sir.
4059. Q. That shows, as presented by the chartered accountants who are their auditors, that I.T.C.S. was shown as having fees and commissions receivable of £157,000, "less paid to consultants £42,594." Do you know what those words mean? A. No, sir.
4060. Q. You know what you mean by a consultant, do you not? A. Yes, sir, but I don't know what they mean; I can't answer for their definition.
4061. Q. Well, will you over the adjournment think who are the consultants on whom I.T.C.S. spent £42,594 in one year? A. All I can tell you - I can give you the simple answer to that now, sir, because from now until Doomsday I shall never know, for the simple reason that I only knew they had one, and that was Nasser, if they liked to call him a consultant.
4062. Q. I mean, could it refer to yourselves as consultants? A. Well, I can't see why. I am absolutely staggered at this when I see that. It couldn't refer to us, surely, if we only got £42,857, or there is something very radically wrong.
- MR. MUIR HUNTER: Well, they are shown as owing Ropergate Services a very large sum of money, and it may be that we shall be able to clear it up after the adjournment.
- MR. SAFFMAN: May he be asked to consider those over the adjournment, and then I can speak to him about it?
- THE REGISTRAR: Yes.

(Luncheon adjournment)

MR. MUIR HUNTER: Pursuant to your order, sir, the Wakefield Building Society have produced and lodged in the custody of the Court, which has entrusted it to me, the Wakefield Building Society mortgage application file, number 11495, relating to an application by a Mr. William George Pottinger, a civil servant, for a mortgage on a house to be constructed at Muirfield Park, Gullane, East Lothian, to which the evidence yesterday related. The file has been entrusted to me by the Court. Have I the Court's leave to put certain passages of its contents to the bankrupt?

THE REGISTRAR: Yes, certainly.

4063. MR. MUIR HUNTER: Mr. Poulson, you will recall yesterday that I was asking you certain questions concerning your dealings with Mr. Pottinger, and in particular a letter written by him to you dated the 12th of April, 1967, enclosing what he calls "the Wakefield forms", and you agreed that those must have been the Wakefield Building Society mortgage application forms, did you not? A. Yes, sir.
4064. Q. In this letter, Mr. Pottinger asked you a number of questions - can the witness be provided with the original of this if it is available? In relation to a status report, Mr. Pottinger asked a number of questions of which he said, "I do not know the answers or how you would like them handled?" Do you remember receiving the form from Mr. Pottinger enclosed with that letter? A. No, sir.
4065. Q. I am going to show you the form 11495 dated 12th April, 1967, application for an advance, to which is annexed a status report dated 12th April, 1967, both signed by Mr. Pottinger. (Handed to the debtor) Do you remember receiving those? A. No, sir, I don't, but I obviously did according to that letter.
- 4065a. Q. Look at the next document. Do you remember receiving that? A. No, I don't.
4066. Q. There is a letter on the file, dated the 15th April, 1967, from Mr. Robinson, the General Manager and Secretary, to Mr. Pottinger saying that he has received those forms from your friend Mr. Poulson. Does that remind you of any event? A. Well, if that was the case -- No, it doesn't remind me of it, but if it says so, it is so.
4067. Q. Did you take them round to Mr. Robinson? A. I don't remember, sir, whether they were sent to whether they were delivered. I have no idea, sir.

4068. Q. Did you make, or cause to be made, any entries on, or additions to, those forms? A. I recognize the amount, the advance required is £7,000, the repayment period five years, as my own handwriting.
4069. Q. So you made entries on those forms before despatching them? May I have the file back, please? A. Yes, sir.  
(Handed to Mr. Muir Hunter)
- MR. MUIR HUNTER: The witness looks at the mortgage application form under the term "Advance required" and identifies the figures written in ink "£7,000 0s. 0d." and he identifies the repayment period desired as five years.
4070. Q. Would you now look at the status report and tell me if any of the entries on that are in your handwriting? (Handed to the debtor) A. Yes, the word "balance".
4071. Q. The word "balance". What about the words "£24,000"?  
A. No, sir, that is not mine.
4072. Q. That is yours? A. That is not mine.
4073. Q. Not yours. So you wrote "balance" being the balance which Mr. Pottinger was providing? A. Yes, sir.
4074. Q. Accordingly, this form is a representation to the Building Society, of which you were a director, that Mr. Pottinger was himself producing the balance of the full purchase price of the property, namely £24,000, less £1,650, the price of the land already paid, less £7,000, the amount of the desired advance. Was that statement true? A. Well, as far as they were concerned, the balance was being paid by him. I was giving a gift to him, sir, not to them.
4075. Q. Then you had already agreed to make him this gift?  
A. Yes, sir.
4076. Q. And did you consider that formed part of his resources?  
A. Definitely.
4077. Q. Now, you had disputed the existence of any contract relating to the house, had you not? A. Well, I hadn't -- No, I said I hadn't seen one.
4078. Q. On the 24th April Mr. Robinson wrote to you asking for the plans and specifications of the house for the use of their surveyor, and on the 26th April Miss McLeod forwarded the relevant plans and undertook to forward the bill of quantities as soon as this was to hand from the Edinburgh office. You were stated to be away. Was this matter brought to your attention? A. I can't remember, sir.

4079. Q. On this letter is written in pencil - just remember that this is the building society's file - "£14,000 certified; £10,000 paid by Pottinger 23.9.67." Is that your £10,000?  
A. I wouldn't know, sir.
4080. Q. At what stage did you pay your £10,000? A. I can't remember. It was in honouring certificates.
4081. Q. Therefore, you had not paid your £10,000 on the 12th April, 1967, when this form was filled up by yourself? A. I wouldn't know. Well, I don't know when the job started.
4082. Q. Then Mr. Pottinger's resources did not include the £10,000 which you say you had promised to give him? A. Well, I don't know, sir, for the simple reason I don't remember when the job started.
4083. Q. The job could not have started before the entry into the ---  
A. Oh, yes, it could, before the building society had the application forms. After all, it was not a 100% grant; it wasn't being applied for.
4084. Q. On the 28th September, 1967, Mr. Richardson wrote to Mr. Robinson at the building society: "Would you confirm that the estimated total cost of the house is £25,093? To date, the builder has actually been paid £7,650, and we have today certified a further payment of £3,207, which makes a total of £10,857." You do not remember anything further about the payment? A. Well, may be. I didn't know that, of course. It was a direct contract between my Edinburgh office and the building society, not me.
4085. Q. There were then surveys made by the building society surveyors, who appear to have received a contract for the construction of the house. Do you still wish to say there was no contract? A. I didn't say there wasn't one. I said I hadn't seen one, sir.
4086. Q. You said at one stage in these proceedings, "There wasn't a contract at all."  
MR. SAFFMAN: I would ask, sir, for the reference in the transcript as to when that statement was made.  
MR. MUIR HUNTER: I will have my juniors look it up and we will return to that point.
4087. Q. Now, according to Mr. Robinson, the original adjusted price of the house was £20,293, plus prime cost and provisional sums amounting to £6,545, making a total of £26,638. Are you aware of those figures? A. No, sir, and I was surprised at them when you just quoted £25,000 previously.

4088. Q. I have them from the building society director himself.  
A. Yes, but you have just referred to a sum - Richardson wrote that letter - where it was £25,000, the cost.
4089. Q. Well, you forwarded this form showing the full purchase price of the property as £24,000, less £1,650, which is £22,350. The final purchase price of the house was apparently £26,000 and your --- A. I think the figures you showed me were £29,000 yesterday.
4090. Q. Yes, the ultimate construction cost was £29,000. Well, now that you have seen this material, do you wish to add anything to the answers you gave in answer to myself and to the Court as to the true arrangement between yourself and Mr. Pottinger? A. There was no arrangement other than I was going to give him £10,000, sir.
4091. Q. It was arranged between you, was it, that Mr. Pottinger would send the mortgage application form to yourself?  
A. I don't know that it was arranged, but he did do.
4092. Q. And it was with his consent that you filled in the statements in it? A. He left those for me to fill in for the simple reason that I was obviously in a better position to fill them in.
4093. Q. After he had signed them and left them blank for you to fill in? A. Yes, sir.
4094. Q. At your discretion? A. Obviously.
4095. Q. And you then took it round, or sent it, with your personal corroboration to the building society of which you were a director? A. Yes, sir.
4096. Q. Now, when the Court rose, Mr. Poulson, I had been putting to you certain matters relating to I.T.C.S., if you remember, and you had sought to make out that I.T.C.S. was a wholly separate entity from yourself which you did not control and of which Mr. Maudling was in charge. Does that summarize what you were saying? A. Sir, I couldn't have been in control. I never saw any accounts until ---
4097. Q. No, no. Does the way I have put it summarize what you were saying? A. Yes.
4098. Q. And that your relationship to these people was nothing other than that of a consultant? A. And also that Ropergate Services contributed to the finance.
4099. Q. Now, I look at a letter in a file called "All sorts of oddments" - a title which does not derive from me - I should



call it the larger file of all sorts of oddments - addressed to Mr. Wilson, dated 14th January, 1969. Now, Mr. Wilson was your chief business manager, was he not?

A. Administration officer.

4100. Q. Yes, a senior officer from the Ministry of Health whom you had acquired. A. Who had applied for a job, yes.

4101. Q. Yes, whom you had acquired, and I read this paragraph. This is about what is going on in the Middle East - the 14th January, 1969 - and Costa Nasser. "Ken" - that is Ken Williams, Dr. Williams of Vickers - "will deal with Costa" - that is Costa Nasser - "about his agreement as it is I.T.C.S., and, of course, he will be very well looked after." This is a letter from yourself. Who do you suppose "he" would mean there? A. Costa Nasser.

4102. Q. Oh, he would be very well looked after? A. Well, he would, because of the agreement. He had got an agreement which he wanted.

4103. Q. "I want you" - that is Wilson - "to impress upon him" and "him" must mean Nasser - "that he must not be taking commissions." A. That's correct.

4104. Q. "Because there is no doubt about it, there has been a great effort, either on his or his brother-in-law's behalf, to get commissions on all p.c. sums and the bills." P.C. means prime costs. "We have actually got a copy of this now which I will show you when you get back. The general contractor has found this out and you will find that C.C.C. --- " A. It is the name of the contracting firm.

4105. Q. " -- are not very pro Nasser minded." This shows, does it not, that you are directly involved in the financial and the moral dealings of I.T.C.S. agents in the Middle East? A. No, sir. I was very concerned -- here is a contractor on a contract I am working for, and I find that one of the associate companies, of which I.T.C.S. was an associate - I was their consultant after all - was acting in a manner which I deplored and wouldn't tolerate.

4106. Q. That means that you knew that Costa Nasser had been taking -- A. I didn't know until I had the evidence produced to me by one of my staff.

4107. Q. Yes, Mr. Poulson. You say, "We have actually got a copy of this now which I will show you when you get back."



That means that your agent had been taking --- A. Not my agent. He was not on my staff, remember.

4108. Q. Well, why do you start this letter by saying, "Please find out from Costa Nasser what this new project was."? Your man is to be told to speak to Nasser. A. Yes, because he was the I.T.C.S. representative in the Middle East, sir, and he was on the letter heading as such - on I.T.C.S. letter heading, not mine. He was never on mine.

4109. Q. I suggest to you that this letter shows plainly that you were closely involved in the administration and control of I.T.C.S. A. No, sir. It was in connection with this one job that C.C.C. were doing and I was not tolerating anybody taking commissions on prime costs or any others. Of course, he denied that.

4110. Q. I now read you a passage from a letter of the same date - 14th January, 1969 - to Mr. Nasser himself, here addressed as "Dear Mr. Nasser" and not "Dear Costa". You say, "I note that you have remitted a sum to the United Kingdom some £11,000 less than the sum received in Abu Dhabi" - that is for the palace - and you say, "I have shown this to the Bank of England and they are asking where the balance of the £11,000 is." And you go on, "In order to avoid the confusion which has resulted from the return of a lesser amount, please make arrangements to have the balance of the fee received remitted to the United Kingdom." Now, in what capacity were you writing that to Mr. Nasser?

A. In the capacity of Ropergate Services.

4111. Q. Why? A. For the simple reason that I had -- it had come to my notice from the secretary that monies had been held in Abu Dhabi and not been transferred as had been the arrangement.

4112. Q. But if, in fact, I.T.C.S. was an independent entity, this was their concern, was it not? A. It was their concern, but at the same time I felt I ought to interfere here and I later -- As a result of this, Dr. Williams sent for Nasser and saw him with me.

4113. Q. Now, this would, in fact, have been a breach of the Bank of England exchange control orders, would it not? A. I am not aware of that, sir. Bringing money back to England surely isn't a breach of the Bank of England control.

4114. Q. I read you the passage. "You sent me a Telex telling me:

that £26,000 had been transferred to England -- "

A. Yes.

4115. Q. " -- and I in my turn showed in my return to the Bank of England -- " A. Well, naturally.

4116. Q. " -- that this amount would be remitted to the United Kingdom. Naturally they are asking where this is." So you were accusing Mr. Nasser of a breach of the exchange control regulations, were you not? A. Oh, yes, sir.

4117. Q. Well now, what return to the Bank of England by yourself are you referring to? A. I have no idea. I can't recall.

4118. Q. I mean, what kind of return? A. I can't remember, sir. Well, it would be done by my accountants and I would be just signing it. I certainly wouldn't do it myself.

4119. Q. So what you were saying to Mr. Nasser was that he had held back £11,000 of the monies that should have been sent back to the United Kingdom in respect of trading by a British registered firm in England overseas; is that right?

A. That's right. It would appear to me, from what you have read, it is right.

4120. Q. And you then go on, "I will make arrangements to have the required amount of money returned to Mr. Speering in the Gulf." What does that mean? A. Well, Speering - he was an assistant. He was the chief civil engineer, resident civil engineer, out there -- Well, one of them. There were two Englishmen - Horriden and Speering, and he was the administrative one and he was getting the sum sent out to there. So it was going to obviously be a contra. Instead of sending the main amount out to him, it would be the amount less this.

4121. Q. To send money out to Mr. Speering would require Bank of England consent, would it not? A. That's right, sir.

4122. Q. And did you apply for that? A. I wouldn't know. I didn't apply for any of these personally.

4123. Q. It says, "I will make arrangements." A. Well, sir, I had people doing this, namely the accountancy division.

4124. Q. Now, if, in fact, you are correct in saying that I.T.C.S. was a separate organisation controlled by Mr. Maudling and his colleagues, I put it to you again that this would be their concern. A. Not Speering, sir.

4125. Q. No. A. Speering was an engineer.

4126. Q. I mean Mr. Nasser's dealings, or misdealings, with the money. A. Yes, and they did take it up.
4127. Q. Did you tell Mr. Maudling about this incident? A. I don't know whether I told Mr. Maudling. I certainly told Dr. Williams.
4128. Q. I will read you the last sentence of this letter. "Please let us know what has been paid into Abu Dhabi since we started there and what has happened to them" - that means the monies - "as Baker cannot make out any accounts and we want this matter cleared up before the board meeting or Mr. Maudling will be very disappointed." A. Well, that's a very good reason. Baker had obviously arranged it with me.
4129. Q. Did you tell Mr. Maudling that Costa Nasser had been playing games with the money in Abu Dhabi? Yes or no? A. Yes, I should do, sir.
4130. Q. You did so? A. Well, I hope so.
4131. Q. So we all hope so; but the question is did you? A. Well, I can't remember.
4132. Q. I suggest to you, from this letter, that you plainly did not, and you were proposing to keep Mr. Maudling in the dark. A. Well, I can't agree to that, sir.
4133. Q. I now look at a letter on your file from Dr. Williams, also of the same date - the 14th January, 1969 - also to Mr. Nasser, now addressed as "Dear Costa". "Mr. Poulson has pointed out to me the problems that have been arising as a result of not completing the returns to the Bank of England." This is about the £11,000. A. This is confirming what I have already said, sir.
4134. Q. Listen: "You cannot play around with the Bank of England like this, and, of course, you are putting I.T.C.S. and J.G.L. Poulson in a very unsatisfactory position, as their statement must, in all cases, be carried out. Mr. Maudling would be horrified if he knew of this." That makes it plain, does it not, that up to the 14th January Mr. Maudling had not been told of a serious breach of Bank of England exchange control, does it not? A. I had obviously told one of his colleagues - directors - the person ---
4135. Q. Mr. Williams knew, but Mr. Maudling was not to be told; that is plain, is it not? A. I don't know -- Well, it is from that letter of Williams.

4136. Q. Yes, and then Dr. Williams goes on to say, "Money will be sent out each month with the approval of the Bank of England." Now, the reason why I have put these letters to you, Mr. Poulson, is firstly in fairness to Mr. Maudling, who was obviously being kept in the dark if these letters are correct, was he not? A. Well, I don't know that he was deliberately being kept in the dark. I am sure Dr. Williams isn't, any more than I was, a person of that nature. We were dealing with the matter, and dealing with it effectively, as we thought.

4137. Q. The second thing is that if you could keep the chairman of I.T.C.S. in the dark, a distinguished colleague of yours, it shows quite plainly, does it not, that I.T.C.S. was really yourself, and everybody else danced to your tune?

A. No, sir, because if that was the case I would not have communicated it to Dr. Williams. He was, after all, the man that did the day to day control.

4138. Q. Yes. Now, when the Court rose at the adjournment, you were shown the accounts for I.T.C.S. for the year ended 30th June, 1969, and I asked you to think over the adjournment what was meant by "consultant". A. Well, sir, I don't know whether I have seen this document before. If I have, I saw it at the Official Receiver's office in Mr. Clarkson's presence, but as far as this "less paid to consultants", I don't know whether it refers to us, as part fees on the jobs we had on, or what it refers to.

4139. Q. It cannot refer to that because you received no income from I.T.C.S. during that year. A. Well, I aren't aware of that, sir.

MR. SAFFMAN: With respect, sir, both a balance-sheet and profit and loss account can show amounts due to be paid even though they have not been paid.

MR. MUIR HUNTER: I do not wish my witness to be prompted by his solicitor.

4140. Q. We are looking at an actual audited account. You see, it has got a qualifying certificate because they cannot make sense of it, but it is audited. Will you now look again at the words "less paid to consultants" which appear to have their natural meaning of "less paid to consultants"? A. Well, I have no -- I can't give any other explanation, sir.

MR. SAFFMAN: Sir, with respect, the audited accounts show amounts due and to be paid at a certain date whether they have been paid or not, otherwise they would not show a true picture of a company's position. Mr. Poulson is saying that it might refer to payments due to his firm. My learned friend says it cannot be that because payments were not made to his firm. Those, sir, with the greatest possible respect are two (inaudible).

MR. MUIR HUNTER: In fact, if one looks at the certificate, it shows that there are fees and commissions alleged to be due from Poulson of £111,773, which the company disputes. I would like Mr. Poulson - not his solicitor, with the greatest respect - to give evidence of fact in this matter.

4141. Q. Do you say that you do not know anything about payments to consultants by I.T.C.S. in the year ended 30th June, 1969?

A. The only person, if they called him a consultant or whatever they called him, that they could have paid - and they certainly didn't pay him sums like that - was Nasser.

4142. Q. Yes. Well now --- A. I'm not aware of anyone else.

4143. Q. Now, we have not yet seen the books of account of I.T.C.S., but we must assume, must we not, from these accounts, insofar as they concern an activity with which you were closely connected that --- A. And yet I have never seen any accounts.

4144. Q. Never mind. I have shown you letters, and I could show you hundreds more, in which you are closely immersed in the affairs of I.T.C.S. on the ground, but let us just look at this figure. It shows, or suggests, that during one year this company paid, or became liable to pay, sums amounting to £42,594 to consultants. Now, do you remember that we went into consultants yesterday with the aid of the list that you have prepared?

MR. MUIR HUNTER: I wonder if I could ask Mr. Saffman if I could borrow his copy of the list of consultants? (Handed to Mr. Muir Hunter)

4145. Q. You produced, did you not, a list of consultants?

A. Yes, sir.

4146. Q. And alongside each of them you placed the names of the companies with whom they were consultants? A. Yes, sir.

4147. Q. Now, if we go down we find Mr. McCrae, a consultant of I.T.C.S. A. I don't think, if you look at the records, you will find he has got anything in 1969.

4148. Q. No, never mind; he is a consultant of I.T.C.S. A. For a part of the time he received ---
4149. Q. Never mind; do not bandy words with me, Mr. Poulson.  
A. I am trying to be correct, sir.
4150. Q. I am looking at a form you actually produced yourself.  
Mr. Lowenthal - I.T.C.S. A. And C.P.
4151. Q. Mr. Audifferen has been taken out on this form. A. No, sir. He is I.T.C.S. He is J.G.L.P.A. first and then I.T.C.S.
4152. Q. And then Mr. Abbeela - I.T.C.S. A. Yes.
4153. Q. Now, each of those persons, therefore, are referred to and sworn to by you as occupying the status of a consultant, among others, to I.T.C.S. Well now, what did they get?  
A. I can't remember, sir.
4154. Q. Well, what sort of sums did they get? A. I have no idea.
4155. Q. You said they could not possibly have got sums like appears here. A. You see, Nasser isn't on this list.
4156. Q. No, well, why did you not put him on? A. Because at that time he would have been on the I.T.C.S. and the previous year.
4157. Q. And what about Mr. Lowenthal? A. Well, I don't know. He went with Phillips in 1968. I don't know what he did with them.
4158. Q. Do you remember what Mr. Lowenthal got? A. No, sir. I had no connection with him whatever personally, other than that meeting you referred to with C.P.
4159. Q. According to the minutes of I.T.C.S. produced by Mr. Maudling, Mr. Lowenthal was getting £420 a month.  
MR. SAFFMAN: Date please, sir?  
MR. MUIR HUNTER: Give me a moment.
4160. Q. Well now, if, in fact, we were to find consultants receiving in one year £42,000 - and will you assume that the auditors must have found that - what would it be for? A. Sir, I do not know. I don't know what Mr. Lowenthal did. I had no connection with him. Phillips did it personally.
4161. Q. But you have met Lowenthal. We went over that yesterday.  
A. I have met him once, sir, as you have pointed out - once - when he was with C.P., not with I.T.C.S.
4162. Q. But in all these letters that we have been looking at you are closely involved with the operation of I.T.C.S. and its

planning --- A. Only if it needs plans drawing.

4163. Q. You see, what one asks oneself, Mr. Poulson, in view of your last answer about Mr. Maudling not being told things, is to whether Mr. Maudling could possibly have known that sums of the order of £42,000 were being paid to consultants in one year. Could he have done? A. I wouldn't know, sir.

4164. Q. You see, we have a letter here from that year, dated the 29th August, 1968, on your own personal file of correspondence with him, and he writes to say, "I have been a little disturbed to hear from Costa Nasser that the various contracts already signed by him have been signed on behalf of I.T.C.S. as I thought they were, in fact, signed on behalf of you. As you know, I asked Baker" - and Baker is your confidential secretary --- A. No. He was at that time secretary of the company of I.T.C.S. He was not my confidential secretary.

4165. Q. " -- some time ago for details about the contractual commitments. I received nothing. I assumed that this was because we had no such obligations." This shows, does it not, that Mr. Maudling was unaware of the contracts which were being signed in the name of his company in Arabia? A. So was I. I was the person who found it out, sir, and as soon as I found it I acquainted him with it.

4166. Q. No, no. He says he heard from Nasser. A. He heard from Nasser as a result of my acquaintance - as soon as I found it out. I didn't know. We knew that they weren't done by us.

4167. Q. He goes on, "It does put me in rather a difficult position as chairman of the company if I do not know what we are doing." A. But, after all, Nasser was there representing him, and he was on their letter heading, not mine.

4168. Q. No, no. Mr. Maudling is saying to you that he does not know what his company is doing. A. I remember that he was very concerned when he found out Nasser had done these agreements because they were not agreements in the ordinary form. They were agreements drawn up by Nasser; between Nasser and the client.

4169. Q. Listen to the rest of the letter. "I really should be very grateful if you would see that I am fully informed of the nature of the contracts which we have undertaken. It



is particularly important to be clear what is the relation in these cases between I.T.C.S. and you. I presume there is some written agreement. The absence of such an agreement has, as we both know, given rise to considerable problems in Saudi Arabia." Now, that shows as plain as anything, does it not, Mr. Poulson, that you were running the company and keeping him entirely in the dark?

A. No, sir.

4170. Q. Well, you replied to that letter on the 3rd September. You told him that he had got it all wrong. "I.T.C.S. have a managerial contract between the rulers and themselves for managerial and professional services," and that contract is only a two quarto-sized page document. A. We got him copies of it.

4171. Q. It states that J. G. L. Poulson are the consultant architects and J. G. L. Poulson Associates are the consultant engineers. You then deal with the fee and the building contract. "From this you will see that I.T.C.S. are not responsible at all, but the original project is with I.T.C.S., otherwise they would have no position at all." Then you go on to this, and I want you to listen clearly what you say. "I hope this clears matters in your mind. You have no agreement with me, but, just as I trusted Vickers, I trusted I.T.C.S., and I am saying this with a laugh." So you are saying that you have no agreement with Mr. Maudling, and I would like to know what you mean by no agreement about what? A. No agreement between J. G. L. Poulson and Mr. Maudling --

4172. Q. And I.T.C.S.? A. Yes.

4173. Q. And that means that I.T.C.S. has no status in the matter at all. A. Yes. The contracts were awarded to them - those four contracts - and the agreements were signed and prepared by one of their representatives, and we are only named as the consultant architects and engineers.

4174. Q. But is it not plain from Mr. Maudling's letter that he was kept completely in the dark about what was happening?

A. So were we, sir; we didn't know Nasser had done this until Mr. Maudling had raised it and we found out then.

4175. Q. You mean that Mr. Nasser was deceiving both of you?

A. Well, he hadn't kept us informed that he had done this, sir.

4176. Q. Well, why did you not remove him? A. Because I was not in control. He was on Mr. Maudling's staff.
4177. Q. And yet you sent Wilson to talk to him. A. Well, Wilson was Chairman and Managing Director of Ropergate Services --
4178. Q. Your man. A. -- and Ropergate Services were very concerned at what -- the indebtedness.
4179. Q. Now, you see, Mr. Poulson, the reason why I have been pressing this particular point is this: you have admitted, have you not, that all the money that was used by I.T.C.S., at least just before the end, was provided by Ropergate Services, have you not? A. Yes, sir.
4180. Q. And, therefore, somebody - presumably a respectable and responsible person - was in control of the drawing of the cheques; is that right? A. Yes.
4181. Q. Now, when we look at the accounts of I.T.C.S., we can see what they spend their money on: salaries, rent, chairman's salary, and so forth. Consultants are put down as a separate head, and if, in fact, such a sum as £42,000 was spent on consultants it must have been known to your office who drew the cheques to provide that sum, must it not? A. I don't know, sir. I can't answer that question.

MR. SAFFMAN: Sir, may I, with the greatest respect, ask my learned friend whether or not the purpose of this part of the examination is to ascertain information or to test the debtor's credibility, because if it is to ascertain information, may I refer him to the debtor's narrative, page 19 at the top of the page, which says, starting at page 18, "I was present at a meeting Mr. Clarkson had with Bolton on the 11th February, 1972" and then goes on to talk about accounts prepared by Pannel Fitzpatrick & Co. for I.T.C.S., and then the last four words on page 18, "Accounts prepared for the year ended 30th June, 1968, dated 30th June, 1970, disclose so much income and so much expenditure." And the next sentence, "Draft accounts prepared for the year ended 30th June, 1969, dated 11th February, 1972, the same date that Mr. Bolton attended at the Official Receiver's office, disclose net income of £115,379, after deduction of fees of £42,594 in respect of architectural work, quantity surveying and engineering work carried out by J. G. L. Poulson and J. G. L. Poulson

Associates in respect of four Abu Dhabi projects." So that the figure of £42,000 is amounts paid to Poulson and Poulson Associates which were put in by Mr. Bolton of Pannel Fitzpatrick's, and produced by him to the Official Receiver.

MR. MUIR HUNTER: That is unfortunately not what the witness said. I asked the witness if this was his own fees and he said, "No."

MR. SAFFMAN: He said, sir, if I may respectfully remind my learned friend, he didn't know whether they were or they weren't, that they could have been, and my learned friend said that they couldn't have been because no payment was made by I.T.C.S. to J. G. L. Poulson. I pointed out that fees could be due and not paid and shown on the balance-sheet and my learned friend then informed me that that could not, in my recollection of the matter, which may be mistaken, be so.

MR. MUIR HUNTER: Perhaps we can pursue this on another occasion with the accountants.

4182. Q. When Mr. Saffman intervened, Mr. Poulson, I was asking you about the mode of payment of whatever money was paid to Arabia, or elsewhere you were. Let us not, for the moment, concern ourselves with whether it was consultants or not. Can you throw a little more light on the way that the money was, in fact, issued? A. No, sir; I left this to the accountants to do.

4183. Q. You do not mean the accountants, you mean the accountants' department? A. No, I mean Baker's department, Baker or his staff.

4184. Q. Did they have absolutely carte blanche to send any amount of money out to the Middle East? A. They would know roughly the salaries, and they would allow a sum in excess for petty cash, I expect.

4185. Q. You mean they received a sort of indent, as we called it in the Army? A. Yes.

4186. Q. And those indents, would they be in writing? A. I am sure they would be.

4187. Q. And somebody then would look at them and draw a cheque? A. Yes.

4188. Q. And who would actually sign the cheque? A. I would sign it, sir, I suppose.

4189. Q. So you would be told what the Middle East or Nigeria or Liberia were wanting? A. In sum totals, yes, sir.
4190. Q. And did you ask what it was for? A. No, sir.
4191. Q. But if, in fact, it was being paid on local consultants, you would not know? A. I wouldn't have known, no, sir.
4192. Q. Well, do you remember when we were looking yesterday at that long memorandum and Mr. Khalil El-Khourri - you said "this man wants paying." Well now, assuming for the moment that you meant what some people might think you meant, that Mr. El-Khourri would have to be given a payment of some sort for services he had rendered, that would form part of the indent, would it? A. No, sir.
4193. Q. Well, how would Mr. El-Khourri be paid, otherwise than out of Ropergate Services? A. Ah, he would get nothing direct from Ropergate Services ever.
4194. Q. So he would be paid in some indirect form? A. Well, if he had been taken on - if there was some services he had given - it would have been a service to I.T.C.S. and not me. I can't understand how it could have been.
4195. Q. How would it be indented for? A. I have no idea, sir. They kept their own accounts.
4196. Q. No, that is not correct, actually, Mr. Poulson. A. I mean, after all, these are their accounts, aren't they?
4197. Q. According to Mr. Maudling's memoranda, you ran the whole of their business administration, did you not? A. No, sir. My office did for a time, and then he asked for Baker to be superseded by a firm that he appointed.
4198. Q. But did not the whole of I.T.C.S. staff come to be employed by Ropergate Services? A. Oh, they would be, yes.
4199. Q. Was not the business administration, in fact, conducted from Ropergate Services' office? A. No, it would be from Baker's department, the accountants.
4200. Q. Yes, but it was conducted all under one roof, was it not? A. No, actually in a separate building, over the road.
4201. Q. Let us take an alternative test, then. If you will not have Mr. Khalil El-Khourri, take the case of Mr. McCrae, who was undoubtedly paid money in Liberia. How would Mr. McCrae be paid? Would he be indented for? A. I can't remember, sir. Surely the records can be found.
4202. Q. You cannot remember how Mr. McCrae would be indented for? A. No, sir.

4203. Q. But somebody would have to say, "Mr. McCrae needs to be paid £X a month," would they not? A. Yes.
4204. Q. And you would be told that? A. Yes. In the first place C.P. had him.
4205. Q. Never mind. It all came out of -- A. Ropergate.
4206. Q. -- Ropergate Properties. So if anybody was paid abroad, say, for a fee of that description, it not only came out of Ropergate Services but it would be indented for in a form which you could have discovered, would it not?  
A. I don't know how it was done, sir.
4207. Q. You must know, Mr. Poulson. It involves hundreds of thousands of pounds. A. I am sorry, I did not see these. I did not have paid accountants -- I am not an accountant; I was too busy being an architect.
4208. Q. You mean Mr. Baker was capable of issuing large sums to the Financial Adviser to the President of Liberia without your knowledge or consent? A. No, sir. He wasn't even there when Mr. Baker was taking ---
4209. Q. Never mind; whenever it was, are you saying that these sums could be paid without your knowledge or consent?  
A. Some of them could have been but some of them weren't.
4210. Q. Well, which ones did you know and consent to? There is a long list of them, you know. A. Well, I will take the ones out that I didn't know. Tonsman; I don't know Reeves; Lucas; Mrs. Pollard was in that agreement; Coles; Dr. Falik; Lowenthal, when he was on C.P.; Waring ---
4211. Q. Who was Waring? A. Well, I understand that he was a gentleman who looked after the Mossamedes contract in Lisbon.
4212. Q. Looked after -- ? A. And was employed by C.P., and they did -- All the money was paid in escudos into a bank in Lisbon, I think you will find, and then was transferred to England because they couldn't take Angolese money.
4213. Q. That is what Mr. Waring did? A. I understand so. I don't know. You will have to ask C.P. about that.
4214. Q. At any rate, you cannot assist further? A. I can't even tell you who Mr. Waring was, because it didn't concern me.
4215. Q. Well, now, I want to move to an entirely different subject. You remember the "turning off the tap" letter?  
MR. SAFFMAN: If my friend is going to move on to a different