

Defence claims none of Nadir's millions missing

Tony May

DEFENCE lawyers for Polly Peck founder Asil Nadir said yesterday that proof had been sent to the Serious Fraud Office that none of the £25 million he is charged with stealing had ever been missing.

Speaking after a remand hearing at Bow Street Magistrates' Court — which extended Mr Nadir's record £3.5 million bail for a further three weeks — his solicitor, Mr Peter Knight, said his client had always had a full explanation for the events which led to the 18 charges of theft and false accounting.

He said his client did not seek to deny payments were made by Polly Peck International to its subsidiary Unipac and that subsequently payments were made by Unipac.

However, on each occasion when Unipac made payments which are the subject of the charges, it had already been funded by payments made to it in Turkish lira in Cyprus. He

added that "not a penny was missing."

The defence had employed independent accountants from BDO Binder Hamlyn to verify Mr Nadir's contention. They had visited northern Cyprus to examine the company books of Unipac and its bankers.

That report "clearly verifies that each payment which is the subject of the charges was matched by a payment to Unipac in Turkish lira at an exchange rate beneficial to Unipac."

That report and supporting documents and extracts from bank accounts and company records was sent to the SFO on June 26.

A copy was also sent to administrators of Polly Peck, who were put in to run the company after it collapsed last October owing £1.3 billion.

Mr Knight agreed that it was unusual for his client to offer an explanation well in advance of any transfer of the case to a higher court. The reason was that the proceedings and the restrictions of his bail condi-

tions were hampering a successful reconstruction of Polly Peck. He was not free to travel to Cyprus and Turkey to help the administrators.

Mr Knight said it was hoped that Mr Nadir's case would soon be transferred to the Central Criminal Court.

Asked where the Turkish lira transfers had come from he said: "Mr Nadir and his family are very wealthy."

The SFO has no jurisdiction outside the UK and the Turkish Republic of Northern Cyprus is not recognised by the UK Government.

However, Mr Knight said that he had received a letter yesterday morning from the SFO indicating that they were now making their arrangements to go to Cyprus to have a look at the original documents.

The administrators have also tried to gain access to documents in Cyprus but been prevented by locally obtained court injunctions. Mr Knight said the injunctions had made the job very difficult for everyone, Mr Nadir included.