

EXAMINATION IN CHIEF of MISS ELIZABETH FORSYTHE

(Sworn)

by MR DREWE

MR DREWE: Thank you for coming here today Miss Forsythe. Would you please state to the court your full name?

A. My full name is Elizabeth Mitchell-Forsythe.

Q. Could you please state to the court your occupation?

A. Well I am now retired but I did manage the personal affairs - in fact I was chairman of South Audley Management which was the personal management company for Azil Nadir, the Chairman of Polly Peck International.

Q. Miss Forsythe, do you have possession of two statements from Mr Dennis Robertson?

A. Yes I do.

Q. Can you tell the court Mr Dennis Robertson was?

A. Mr Dennis Robertson was the auditor of Polly Peck International in 1989 to the collapse of the company and he was a partner of Stoi Hayward who were the auditors for Polly Peck.

Q: In one of these statements is it made clear what the role of Mr Robertson was with regard to the affairs of Polly Peck.

A. Oh yes. He states that ----

JUDGE RIVLIN: No. We are not -- sorry, this isn't relevant and admissible. But you may certainly ask of the witness of what she knows of her own knowledge what his role was.

MR DREWE: Do you know of your own knowledge what role Mr Robertson had?

A. Yes.

Q. Can you tell the court from your knowledge what that role

was?

A. Well Mr Robertson unfortunately died in 1993 and my defence, because I was convicted and won my - the conviction was overturned in appeal - but if these statements had been available to me and if the Serious Fraud Office had put his name on the list of people he interviewed for Mr Nadir's trial, it would have meant that I would not have been convicted in the first place. The appearance of these documents, the first intimation that we had that they existed ----

JUDGE RIVLIN: Would you forgive me please? I know that you may very well want to tell the jury all about this interesting matter, and I am not doubting that it is interesting, but you see, you were asked the question: "Do you know of your own knowledge what Mr Robertson's role was vis a vis Polly Peck And you said: "Yes, I do." Can we have the answer to that question?

A. I do. But I am afraid it is relevant because until Lord Beldam (LJ) asked if Mr Robertson had been interviewed during my appeal, I didn't -- that statement did not appear until that time and I found out then exactly his precise role.

when did statement appear? Mr told off by CP

JUDGE RIVLIN: That is what I need to know. You see, you might know something of your own knowledge and you might find something out later that you didn't know at the time. What we really want to know in the first place is, what did you know at the time of your own knowledge and then we can take matters from there? What is the answer to the question?

A. I didn't work for Polly Peck I knew that Stoi Hayward were the auditors for Polly Peck The precise role of Mr

Robertson I didn't not realise until I saw his statement.

JUDGE RIVLIN: That is all I need to know. Thank you.

MR DREWE: Can you tell us please what was the precise role of Mr Robertson?

A. I ----

MR BEVAN: Your Honour, she can only tell us what Lord Justice Beldan apparently told her and that is an inappropriate route.

A. Am I allowed to read the front page of Mr Robertson's statement where he said ----

JUDGE RIVLIN: No. You are not. You know, this is a difficult area. I rather suspect that it is known that this is not evidence which can properly be adduced before the jury. We have established that you yourself did not know what Mr Robertson's real role was in Polly Peck Now, we understand what Mr Drewe would like to illicit in evidence ---.

A. Excuse me my Lord, but I did know when I saw his statement his precise role and how, when he --- when that post -- he had that post.

JUDGE RIVLIN: Mr Bevan, as with any evidence I have got to rule on its admissibility. We all know because this has happened throughout the trial that wherever there has been the slightest doubt the evidence has been admitted, even though it is not strictly admissible. I need to know whether there is any objection to this going in.

MR BEVAN: Your Honour, I don't know what it is. If what is being sought is a read out of Mr Robertson's then yes, because it runs into 58 pages.

A. It is just a sentence.

JUDGE RIVLIN: One sentence.

A. One sentence.

JUDGE RIVLIN; I see. Well Mr Bevan, unless there is any objection I am going to ----

MR BEVAN: Since Miss Forsythe has got the statement in front of her perhaps I could be indicated as to ----

JUDGE RIVLIN: Which line? Just highlight that one line.

MR BEVAN: It is the statement of 20th December, I imagine.

A. 21st ----

JUDGE RIVLIN: Just a moment please. This is all very intriguing. I know it is very interesting. But one thing everybody in the world wants to know is what they can't be told, don't they? There are strict rules of evidence and I want to do the best I can in the circumstances. Just highlight the one sentence that you would like to read. (Witness highlighting the sentence.) Give that to Mr Bevan please? (Handed to Mr Bevan.)

MR BEVAN: Yes your Honour. I have no difficulty with that.

JUDGE RIVLIN: Just read that one sentence to the jury and then we get on to what is relevant.

A. "I was therefore partner in charge of the Polly Peck International audit for one year - 1989 - which was also the last period to be audited by Stoi Hayward."

JUDGE RIVLIN: I don't think that that is a very great secret because we have already had that this morning.

MR BEVAN: That is what I thought.

JUDGE RIVLIN: Let us get on then please.

MR DREWE: That was not what we heard this morning. We heard something slightly different. (To the witness.) Sorry Miss Forsythe. The signature of Mr Robertson, are you familiar

with his signature?

A. I am now, yes.

JUDGE RIVLIN: No. That will not do.

A. I am.

JUDGE RIVLIN: It will not do because what we must know is, were you familiar with Mr Robertson's signature when he was alive?

A. No.

JUDGE RIVLIN: Thank you. On we go.

MR DREWE: With regard to Polly Peck International do you know Miss Forsythe whether Polly Peck International bought paintings?

A. Yes, they did.

Q. PPI is Polly Peck International, is it?

A. Yes.

JUDGE RIVLIN: And they bought paintings.

A. Yes. MR DREWE: Can you indicate to the court first of all whether PPI important paintings and the quantity of paintings they bought? Were the paintings that were purchased were they important ones, valuable ones?

A. Yes. They were.

Q. Is it correct to say that there were a significant number of purchases both in the number of paintings and the amount of money which was spent on them?

A. Yes.

Q. Is it correct -- where were these paintings kept?

A. They were hanging in the offices in Berkeley Square.

Q. Can you, from your knowledge do you know how these paintings were purchased? Were advisors involved?

A. Yes.

- Q. These purchases, were conducted-- were they by PPI or Mr Nadir or ----
- A. No representatives for the company or Mr Nadir. Both purchased paintings.
- Q. He purchased paintings as well as the company.
- A. Yes.
- Q. And also the company.
- A. Yes.
- Q. Had advisors to purchase paintings.
- A. Do you know what happened to the majority of these paintings when PPI collapsed?
- A. Yes. They were sold by the Polly Peck administrators. It was a sale conducted by Philipps.
- Q. Are there records which would show the sources from whence the paintings were obtained?
- A. Most definitely.
- Q. Can you tell us please where those records would be?
- A. They would be with the Polly Peck administrators.
- Q. With regard to the painting purchased personally by Mr Nadir he would still have those paintings?
- A. No. No. They were with the South Audley Management administrators and then liquidated. They were privately sold. Well a small auction not a major auction.
- .
- Q. And the records which relate to those paintings, Mr Nadir's paintings do you know where they would be?
- A. Yes. They will be with Levi Gee and or Coopers & Lybrand.
- Q. Now with regard to Mr Robertson, do you consider that Mr Robertson - this is your belief - behaved properly with regard to your company?

A. As far as I am aware, yes, to my knowledge.

Q. With regard to art; have you, well could some of the paintings, could they have been sold to PPI by Mr Peter Harris?

JUDGE RIVLIN: Oh no. I don't think that you can ----

MR DREWE: I have got to be careful how I ----

JUDGE RIVLIN: Just a moment Mr Drewe. Why not ask the witness if she ever knew a gentleman called Mr Peter Harris?

MR DREWE: Well because I know she didn't.

JUDGE RIVLIN: Well, Members of the jury, they say that there is nothing new under the sun. I am going to ask the witness the question so that we have it on record and in evidence because you never know what the answer might be Mr Drewe. (To the witness.) Did you ever know a Mr Peter Harris?

A. No.

JUDGE RIVLIN: (To Mr Drewe) The evidence isn't to do with what you know, it is do what the jury is told. That is what evidence is.

(To the witness.) You never knew a Peter Harris. Take it from there Mr Drewe.

MR DREWE: I should point out ----

JUDGE RIVLIN: Take it from there. Next question.

MR DREWE: I am correct that you did not work for PPI?

A. Yes. That's correct.

Q. Therefore you would have no direct knowledge of the dealings of PPI?

A. No.

Q. But you do know where the records are.

A. Yes.

Q. And more relevant, is it correct that you had access to

photographs of the paintings that were originally acquired by PPI and sold later on?

A. Yes.

Q. Could you describe how these paintings were sold?

A. The major paintings were sold in Philipps sale- I think it was 1991 and 1992 and they were all photographed. Others were sold, as I say in lesser sales. It would need some research but this information could be obtained.

Q. So these paintings were all recorded - and this is the point - as having been sold and there are records to your knowledge as to where they originally came from?

A. Yes.

Q. I think one last question; with regard to the statements made by Dennis Robertson is it correct that in your particular trial evidence was suppressed by the authorities?

A. Yes.

Q. Which, if it had not been suppressed would have led to your acquittal?

A. Yes.

Q. Can you tell us the nature of that evidence which was suppressed.

A. Dennis Robertson went out to Northern Cyprus just before well late '89 and early 1990. He confirmed a lot of transactions that took place within UNIPAC the Polly Peck International subsidiary out there. I was accused of handling one of these transactions and if that evidence, that it was part of the official audit that these transactions were legal, I would not have been charged for handling a supposedly illegal transaction, if you can understand that. I hope I have made it clear.

Q. Have you ever heard, have it ever been said in your presence that UNIPAC was being used by arms dealers to cover the transport of munitions from the United Kingdom to the Middle East?

A. I am afraid that those-- that information has come to me more recently than when I was actually working.

Q. But you had heard.

A. I heard it from three different sources, legitimate sources.

Q. Would you be able in general terms to indicate to the court in general what those sources are?

A. They are not-- they are I would say authoritative sources. Such as military and police sources.

Q. Both the military and the police.

A. Who had befriended us after the demise of Polly Peck.

Q. And they said- get this right- UNIPAC, a subsidiary of Polly Peck was being used as a cover to move arms?

A. I would like to make it absolutely clear that this is understood to have been done without the company's knowledge and it would have to be done by an outside auditor who had access- who could open and close bank accounts and transact these operations in a company name. It would be the only way the company wouldn't know this had happened.

Q. From your knowledge the company had no knowledge that this was being done?

A. If I had any knowledge of any of this I wouldn't have had anything to do with the company.

Q. Why are you sure that an outside auditor would have to have been involved, had to be a party to what was going on?

MR BEVAN: Your Honour, this is all very interesting depending on

one's point of view. The relevance - I am having a little difficulty with.

JUDGE RIVLIN: Well the admissibility is even more problematic.

MR BEVAN: Quite apart from hearsay.

JUDGE RIVLIN: Mr Drewe, you have I assure you adduced more evidence than any lawyer would ever have been allowed to adduce in the circumstances. Can I put it that way?

MR DREWE: Then I will have to be satisfied with what I have achieved.

JUDGE RIVLIN: Perhaps you would be sensible to be, yes.

MR DREWE: Thank you very much indeed Miss Forsythe.

CROSS-EXAMINATION of MISS FORSYTHE by MR BEVAN

MR BEVAN: Miss Forsythe, you were Azil Nadir's personal manager, were you; you managed his personal affairs?

A. Yes.

Q. And his personal affairs are partly set out in the witness statement of Dennis Robertson?

A. Yes.

Q. Have you shown those witness statements to Mr Drewe or part of them?

A. I haven't shown him, no.

Q. Have you given them to anybody else connected with this case or shown them to anybody?

A. Parts not connected with this case, no.

Q. So if he knew what the signature of Mr Robertson looked like on these statements, he would know that from you.

A. Only just yesterday I showed him the pieces of paper that I have. That is the only -----.

Q. Are the pieces of paper that you have part of the witness statement of Mr Robertson?

A. Some pages, yes.

Q. And therefore the answer to the question - "have you shown Mr Drewe any of his witness statement," the answer is yes.

A. I think that is pretty apparent because -- I have made a witness statement. There is one.

Q. I dare say you have. But what I asked you was whether you had shown Mr Drewe any part of Mr Robertson's statement and you said "no." The actual fact is, the answer is "yes." You showed him yesterday.

A. Yes. That is absolutely right.

Q. When were you first asked to have anything to do with this case?

A. Some time ago.

Q. When?

A. Several months ago.

Q. By?

A. By Mr Gerald James of Astra.

Q. He contacted you on behalf of Mr Drewe, did he?

A. I have known Mr James for some time.

Q. Is Mr James a friend of yours?

A. Yes.

Q. Coming to Mr Nadir's office furniture; it included three paintings did it not, that hung in his -- did you work near or in his office?

A. I worked very near, yes.

Q. He had jolly good furniture, didn't he?

A. Yes.

Q. He had a Turner water colour that cost 114,000.

A. Yes.

Q. He had a Turner water colour that cost 280,000.

A. I would imagine so. It is nine years since these paintings have been sold. Until I refer to my records I can't be absolutely accurate. That is the level of the paintings that they had.

Q. Yes. And the painting "Harem Women and Pigeons"- 400,000.

A. Yes.

Q. Are any of those paintings connected with this case?

A. I would have to check on the records.

Q. Well you have a record in your possession, don't you? Fortunately you are in possession of a catalogue from a sale?

A. Yes.

Q. Because you have made a statement to that effect dated today.

A. Yes.

Q. Could we see it?

A. It isn't with me. I have got it at home. I have given a statement to Mr Drewe just before I come to court and if I -- yes, I have got it in my possession.

Q. You say "I am in possession of a catalogue."

A. Yes.

Q. Have you got it here?

A. I haven't got it with me.

Q. Did it occur to you that it might be helpful to bring it?

A. Not until I have been able to speak to Mr Drewe in detail about an hour ago.

Q. You spoke to him yesterday, didn't you?

A. Yes. But very briefly. We only had about five minutes to

speak before he went back to Pentonville.

Q. Mr Peter Harris means nothing to you at all.

A. Not that I am aware of. I can't say that I have met him or I haven't met him.

Q. Yes. Thank you.

REEXAMINATION of MISS FORSYTHE by MR DREWE

MR DREWE: First of all, the signature on the statement that Mr Bevan referred to; can you tell us whether it is "Dennis Robertson or DV Robertson?"

A. It is "DV Robertson."

Q. Do you know whether Dennis Robertson -- are you aware that he was ill?

A. Yes. He was ill. I don't know how long he was ill. But he died in 1993 of cancer and cancer doesn't sometimes hit you suddenly. So I did notice there was a variance in his signature with the documents that I personally have examined before I came today.

Q. They seemed to vary.

A. Would you confirm that I had not seen, until yesterday, from you, any of the ----

A. With regard to the contact between us, is it correct to say that you had dealings with Mr James and indeed my wife, that I was not able to speak to you myself until very recently?

A. Yes.

Q. Were you told Miss Forsythe that I was having great problems in communicating with you?

A. Yes. Having been in prison myself, I realise how difficult it is to make a call out.

Q. So you say ----

MR BEVAN: I hope we are not going to go down this road.

JUDGE RIVLIN: Well we have gone down, Mr Bevan.

MR BEVAN: I hope we turn round and drive back again.

JUDGE RIVLIN: It might be desirable Mr Drewe or would you like the jury to know how many phone calls you have been allowed to make? Perhaps we ought to just complete this reexamination as speedily as is possible.

MR DREWE: If you are going to adduce ----

JUDGE RIVLIN: Would you just like to ask your questions?

MR DREWE: With regard to the paintings that Mr Bevan referred to; he said that there were these three paintings mentioned in Mr Robertson's statement - the Turner or whatever.

A. Yes.

Q. PPI had --

MR BEVAN: Can we have a non-leading reexamination?

MR DREWE: I will rephrase the question. I wouldn't like to offend Mr Bevan. Did PPI have on the books a large number of -- quite a significant number of paintings?

A. A significant number of paintings. I would think if I am able to hazard a guess about thirty or forty paintings of reasonable value - if we are talking about half a million.

Q. And a company auditor- it is because of the fact that he is a company auditor would know about that, wouldn't he?

A. He should do.

Q. Can you suggest why if there were thirty or forty paintings the company auditor mentioned three or four?

A. I have no idea really.

Q. I think I'll have to leave it there.

JUDGE RIVLIN: Thank you. You have completed your evidence.

The witness is released

JUDGE RIVLIN: Who is your next witness Mr Drewe?

MR DREWE: I don't have a next witness because Mr Smith
unfortunately didn't turn up.

JUDGE RIVLIN: Members of the jury, you have got a quarter of
an hour's break now.

The jury leave the court

Short adjournment