

## FILE NOTE

POLLY PECK

CASE REF: POL 01

Interview with Tim Wood (ex PP Treasurer) 18.9.90

The interview lasted for 2 hours with R Wardle, D/I M Hawkins and D N Morrison present. These notes are not exhaustive.

1. TIM WOOD: ROLE AT POLLY PECK

Jan 1987 Group Treasurer for Polly Peck International, having previously been a divisional director of BHS and director of Capel Cure Myers (stockbrokers).

Dec 1988 Resigned from PPI because financial skills "ignored" by group finance director (Fawcus) and invited by Asil Nadir ("AN") to join South Audley Management set-up, where he worked on financial projects for Alexander Wood Corporate Finance.

At SAM it appeared "obvious" to TW that:-

- Jason Davies was buying shares for AN, names of Riverbridge / Tristan recognised.
- Elizabeth Forsyth knew what Jason Davies was doing (they shared a room at SAM for several months).

He later somewhat retracted on his statement about the share buying.

July 1989 TW rejoined PPI as Director of Investor Relations (not a main board post) when Tony Reading, MD, resigned.

Handled corporate finance side of Del Monte and Sansui acquisitions.

Dec 1989 TW resigned from PPI when told he was not being offered a place on the main board.

2. POLLY PECK: MANAGEMENT STYLE

- Senior employees encouraged to "fight one another" eg Wood v Fawcus, Ellis v Reading, Warsching v Karan etc
- Turkish Cadre permeated organisation.
- "Phenomenal" amount of money got through.

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- "Phenomenal" margins obtained from Cyprus / N Turkey accounting for two thirds of profits and audited by local firm (ERDAL).
- Covert AN personal benefits possible via
  - (a) New executive jet
  - (b) July 1988 £10m remitted to Turkey ostensibly to buy Tudesh fresh fruit business but coincidentally when AN acquired Gunaydin newspaper as personal asset for estimated £19m.
- Relatively senior staff periodically fired for no apparent reason eg Vi Jennings (Group Controller), Mark Helm (Sunzest Finance Director) etc.

### 3. FINANCIAL STRAITS OF PPI

- Dividends paid from money loaned by Arbuthnot Latham.
- Borrowings exceeded shareholder funds by 150% (as a quasi-expert, TW could say how awful the PPI balance sheet was).
- AN "margining" PPI stock to KOP, SG Warburg Soditic (de Frisching) and Citibank.
- June 1989 Jason Davies sought advice from TW on how to get banks to pay without receiving funds credit (presumably a sort of cross-firing).

CONCLUSION: TW acknowledged he had been a "strong supporter" of AN at Polly Peck and resigned when not offered a board post. He must have been fairly close to AN to have been invited over to SAM. Although he may not have been telling the SFO everything he knew, he also said nothing indicating he might be criminally implicated. He appears to have been motivated to come to the SFO by a mixture of pique and inherent nervousness about what may emerge as the Polly Peck imbroglio develops. He should have information about a payment believed to be of the order of £7m and involving Nat West, Jersey and a PPI subsidiary called Unipack. Other sources indicate this could be a critical transaction. Therefore TW obviously needs to be seen again with a view to taking a statement from him, if we proceed.

D N MORRISON  
19 September 1990