

MONEY

Top accountant in share price probe

By PETE SAWYER

A PARTNER in a top accountancy firm with 29 letters after his name played a key role in making an inflated share valuation which was later used to get millions of pounds out of merchant banks.

Nigel Eastaway, of accountants Moores Rowland, is a member of seven professional associations, including the Institute of Taxation and its technical committee.

Two years ago he was finance director of the Blackspur group, which leased printing equipment. It used the same kind of 'flexlease' contracts seen at the failed British & Commonwealth subsidiary, Atlantic Computers.



LIFESTYLE: Eastaway's country home in Essex

The Serious Fraud Office has spent 20 months probing the failure of Blackspur — as has its receiver, Arthur Andersen, appointed by the Midland Bank.

Eastaway, who lives in a large house near Bishop's Stortford, Essex, looked after Blackspur's financial affairs from his office

at Moores Rowland. The firm was also Blackspur's auditor. It looked after the non-beneficial shareholdings of many of Blackspur's directors — including Nigel Eastaway — through offshore trusts.

During 1989, Blackspur obtained a substantial part of its £57 million worth of loans from 13 merchant

banks. They were happy to lend on the basis of the audited accounts of Blackspur's leasing subsidiary.

In a letter signed by Eastaway, he says that the value of the subsidiary was £28 million and of the group as a whole £33 million.

But The Mail on Sunday has discovered — as has one of the banks — that the group and its subsidiary were insolvent. The accounts had been doctored to show a healthy balance sheet by means of a group reorganisation in 1988.

The 'window-dressing' of Blackspur's accounts and the inflated valuation are thought to have been heavily criticised in a confidential report produced by Arthur Andersen for Midland.