

# WILLIAM HAGUE TRUST but his business associa

**W**hen William Hague wants to feel in safe hands he pulls on his white judo outfit, tightens his green belt and gets down to some serious grappling with Sebastian Coe, the gold-medal-winning former Olympic athlete. The man tossing the Tory leader around on the mat is one of Hague's closest confidants, most loyal supporters and trusted advisers.

But Hague also sees the new Lord Coe as a solid source of financial support. Since leaving the world of running in 1989, Coe has used his connections to build up a string of companies specialising in sports clothing, sponsorship, promotion and fitness centres, and he is wealthy enough to lend Hague a Range Rover and not miss it.

Coe was saved from the political scrapheap when Hague appointed him chief of staff after the former athlete lost his seat of Falmouth and Camborne in the 1997 election. No longer an MP, Coe does not have to declare his myriad interests and connections in the fields of sponsorship and finance, an asset that will prove priceless to the Conservative leader as the next election approaches.

Yet just how safe are the financial hands of the businessman who comes to grips every morning with the man who would be PM, and who acts as his intermediary and sometimes even his bodyguard?

A close look at Coe's business history reveals a litany of failed and loss-making companies and investments, amounting to a track record that is nothing short of disastrous. His business ventures appear to have been dogged by such bad luck that Coe

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should probably stick to politics — and preferably nowhere near the Department of Trade and Industry.

When *Punch* tried to contact Coe he was unavailable for comment, however, one of his former business associates told *Punch*: "What I would say is unprintable, but let's put it this way: as a businessman, he is a wonderful athlete."

Coe once said: "The great thing about athletics is that it's like poker sometimes: you know what's in your hand and it may be a load of rubbish, but you've got to keep up the front." How ironic then that, in business, Coe has on occasion unwittingly been the victim of his own rule.

Coe's latest venture is with Alan Pascoe, promoter, former television commentator

He has just been rewarded with a peerage for his role as judo partner, bodyguard, financier... But in business this black belt has a history of being thrown by peer pressure. **Pete Sawyer** investigates

and winner of a gaggle of gongs for hurdling in the Seventies, from the Olympic Games to the European Championships.

Last year Pascoe sold his worldwide promotion business, Alan Pascoe International, part of The Sponsorship Group, striking a potentially lucrative deal with UK Athletics. In May last year he set up a new company, Fast Track Events Ltd, which was given the exclusive contract with UK Athletics to market athletic events. Coe was appointed chairman. Ownership of Fast Track is now vested in an offshore company controlled by Pascoe and registered in the Dutch Antilles tax haven.

Pascoe admits that he has had no other business dealings with Coe. But he says: "Coe has enormous strengths. He has specific knowledge and contacts to bring to the party."

However, Coe's earlier business dealings do not really inspire confidence in Fast Track's prospects. His involvement with the fraudulent financial services company, the Levitt Group, is a case in point.

Coe was a director of the group, which collapsed in 1990 with debts of around £34 million and the group's millionaire boss,

Coe was there, on the edge of the group, listening in," he says. "Suddenly, he stepped forward and threatened to land one on me. He was only prevented from doing so by Faith. We laughed it off, but Coe seemed absolutely serious."

Faith's partner in the investment service project was City stockbroker Paul Killik, who was also, for several years, a director of Coe's sports promotion business, PNC Enterprises Ltd. The company had started off as a family affair, but not a profitable one. Even Killik's Midas touch did not work here. By 1990 it had racked up losses of several thousand pounds and it was dissolved just before Coe was elected MP in 1992.

Aside from his City connections, Coe also had links with the Health Education Authority, of which he became a member in 1988. One of his ideas was to market and develop fitness clubs and sports injury clinics. To that end he started a company called Comodale in 1989 with a former senior civil servant, David Teasdale, and a fitness specialist, Barry Morgan.

Comodale got off to an unfortunate start. In 1991 it signed a joint-venture deal with a listed company called Pavilion Leisure plc. It had an arrangement with Barclays Bank to fund a full takeover of Pavilion, which it knew to be in trouble. It acquired three per cent of the shares but then Barclays got cold feet and would not support the full bid. Some months later, Pavilion went into receivership.

The company lost £421,000 on the deal. Barclays lost out, too, as Comodale had put up the Pavilion shares as security for the loan. Comodale never quite recovered from this episode but, nevertheless, the company struggled on, with its banker's blessing, buying into several health and fitness businesses, and doing deals here and there.

Comodale bought the rump of Pavilion Leisure's business and put it into a gymnasium management company, Orion Sports Services Ltd, which was run by one of Comodale's directors. But irreconcilable differences between the two companies' working practices pushed Orion into liquidation in 1995.

Through Comodale, Coe licensed his name to 18 health clubs run by a hotel group and marketed a jogging track called the



# S THIS MAN IMPLICITLY tes tell another story...

"SebCoeTrak". The company also became an "adviser" to ADT Healthquest, part of the Belize-based ADT group, formerly run by Tory party treasurer Michael Ashcroft.

With the help of a computer expert, Stuart Dyson, Comodale established a subsidiary specialising in fitness software called Health Promotion (Europe) Ltd. At the time, MPs had to declare all remunerated directorships, but Coe's directorship of Health Promotion (Europe) was unremunerated, and the management charges were picked up

Diaco consistently made losses, which had rolled up to around £1.4 million by the time Coe resigned in May 1995. Later that year, he sold his stake to the company's Italian backer.

Even Coe's more altruistic business ventures have tended to end in failure. Soon after becoming an MP, Coe lent his hand to the South Crofty Tin Mine, the very last working Cornish tin mine. But, for economic reasons, the mine was forced to close in 1998.

by Comodale Ltd. So Coe deftly sidestepped the rules.

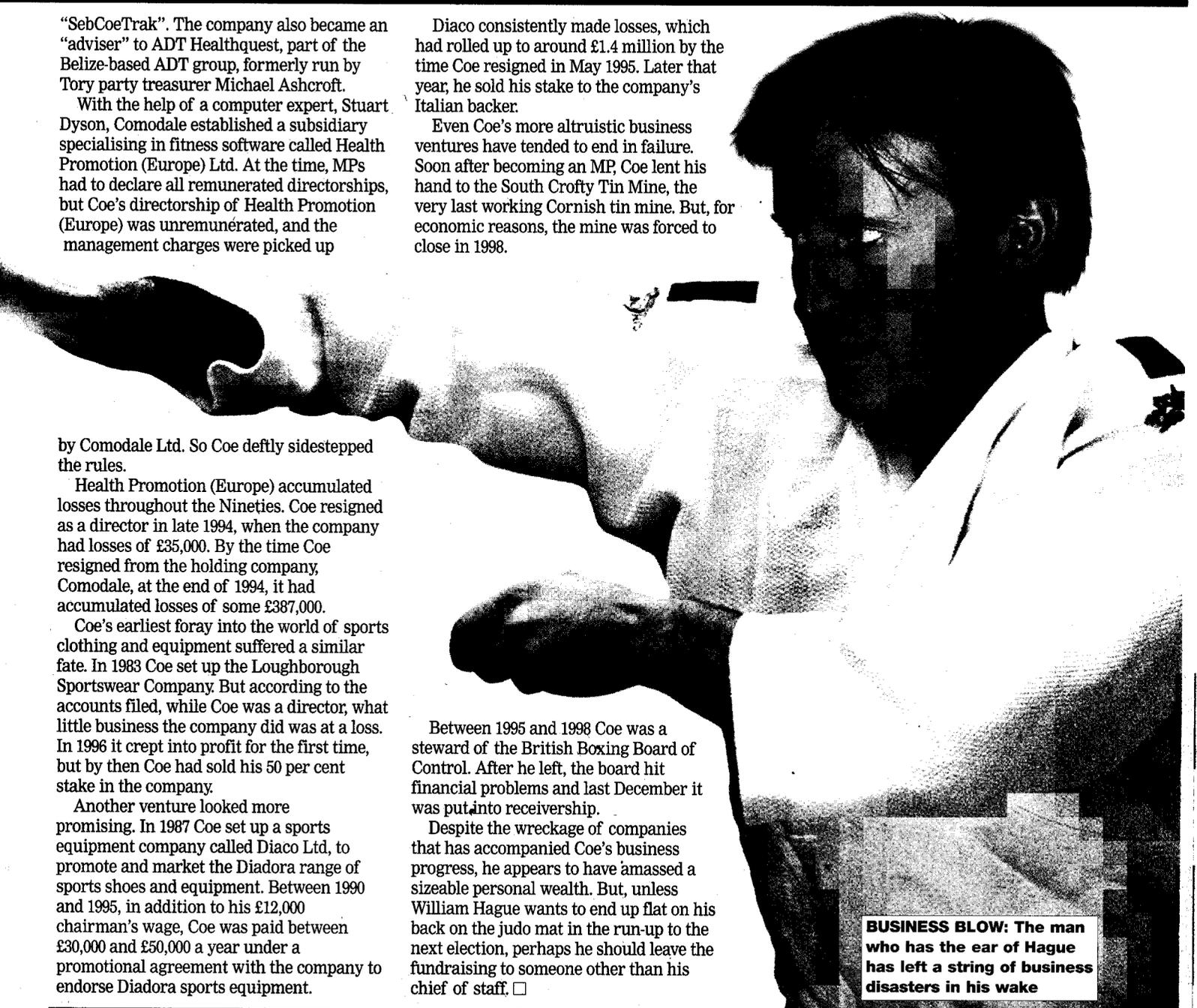
Health Promotion (Europe) accumulated losses throughout the Nineties. Coe resigned as a director in late 1994, when the company had losses of £35,000. By the time Coe resigned from the holding company, Comodale, at the end of 1994, it had accumulated losses of some £387,000.

Coe's earliest foray into the world of sports clothing and equipment suffered a similar fate. In 1983 Coe set up the Loughborough Sportswear Company. But according to the accounts filed, while Coe was a director, what little business the company did was at a loss. In 1996 it crept into profit for the first time, but by then Coe had sold his 50 per cent stake in the company.

Another venture looked more promising. In 1987 Coe set up a sports equipment company called Diaco Ltd, to promote and market the Diadora range of sports shoes and equipment. Between 1990 and 1995, in addition to his £12,000 chairman's wage, Coe was paid between £30,000 and £50,000 a year under a promotional agreement with the company to endorse Diadora sports equipment.

Between 1995 and 1998 Coe was a steward of the British Boxing Board of Control. After he left, the board hit financial problems and last December it was put into receivership.

Despite the wreckage of companies that has accompanied Coe's business progress, he appears to have amassed a sizeable personal wealth. But, unless William Hague wants to end up flat on his back on the judo mat in the run-up to the next election, perhaps he should leave the fundraising to someone other than his chief of staff. □



**BUSINESS BLOW:** The man who has the ear of Hague has left a string of business disasters in his wake

## Coe and Co Seb's business chums

There is hope yet for Sebastian Coe's latest venture with former TV commentator Alan Pascoe (right). One of his earlier business dealings with Roger Levitt (centre) collapsed when the millionaire was charged with fraud. Paul Killick (far right) was a director of Coe's sports promotion business which was dissolved after suffering severe financial losses.

