

the High Court of Justice.

COMPANIES (WINDING-UP).

MR. JUSTICE EVE.

No. 00464 of 1923.

IN THE MATTER OF THE COMPANIES (CONSOLIDATION) ACT, 1908,

AND

IN THE MATTER OF THE BRITISH WORLD TRADE EXPEDITIONS,
LIMITED.

(Registered Office: Coventry House, 5/6, Coventry Street, London, W.)

SUMMARY OF THE STATEMENT OF AFFAIRS

as at the date of the Winding-up Order.

Submitted by George Kenneth Petrie, Secretary, on the 29th day of August, 1923.

(I) AS REGARDS CREDITORS.

Liabilities.		Estimated by the Officers of the Company to rank.			Assets.		Estimated by the Officers of the Company to produce.		
s.	d.		£	s.	d.		£	s.	d.
1	6	Unsecured creditors (64)	14753	1	6	Trade fixtures, fittings, utensils, &c.	360	0	0
		£ s. d.							
0	0	Creditors fully secured (2) (not including debenture holder)	50382	0	0	Other property, viz. :—			
		Estimated value of securities	90000	0	0	Lease of office	900	0	0
		Estimated surplus	£39618	0	0	Surplus from securities in hands of creditors fully secured (per contra)	39618	0	0
		£ s. d.				Unpaid calls (5 debtors)	1177	0	0
6	3	Preferential creditors for rates, taxes, wages, &c. (6)	1135	6	3	Estimated total assets	42055	0	0
		Deducted contra	292	13	4	Deduct preferential creditors as per contra	292	13	4
		£ s. d.				Estimated amount available to meet claims of debenture-holder	41762	6	8
0	0	Loan on debenture bonds and interest thereon (1 holder) deducted contra	36750	0	0	Deduct loans on debenture bonds secured on the assets of the Company as per contra	36750	0	0
		£ s. d.				Estimated amount to meet unsecured creditors, subject to cost of liquidation	5012	6	8
						Estimated deficiency of assets to meet liabilities of the Company, subject to cost of liquidation	10583	7	9
7	9		£15595	14	5		£15595	14	5

(II) AS REGARDS CONTRIBUTORIES.

	£	s.	d.		£	s.	d.
Capital issued and allotted, viz. :—							
Ordinary Shares of 1s. per share (9 Shareholders)	5000	0	0				
led up on 100,000 shares of 1s. per share	13052	0	0	Total deficiency	28635	7	9
Preferred Ordinary Shares of £1 per share (19 Shareholders)	13052	0	0				
led up on 13,052 shares at £1 per share	18052	0	0				
Deficiency to meet Liabilities as above	10583	7	9				
	£28635	7	9				

The following is a Summary of the Deficiency Account attached to the Statement of Affairs :—

Expenditure in carrying on business from date of formation of Company to date of Winding-up Order, viz. :—

	Amount Discharged.		Due at Date of Winding-up Order.					
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Salaries	5562	6 11	3884	13 10				
Wages	1834	10 8	—					
Rent	1401	4 0	40	0 0				
Law costs	1723	16 6	250	0 0				
Commission	1018	8 7	75	0 0				
Interest on Loans	18	2 11	—					
Interest on debentures	—		1750	0 0				
Film production expenses	378	8 7	—					
Insurance	628	0 8	79	3 9				
Printing, stationery, publicity and advertising	4094	13 7	124	11 6				
Honorarium	105	0 0	—					
Office furniture	691	14 9	26	10 0				
Stamp duty	513	0 0	—					
Hire of car	50	0 0	—					
Auditors' fees	26	5 0	26	5 0				
Telephone	61	13 2	21	12 9				
Travelling expenses	408	19 8	—					
Postage account	178	14 7	—					
Bank charges	30	11 3	—					
Gas and electric light	22	11 1	4	19 2				
Subscriptions	45	9 6	—					
General expenses	306	1 2	53	3 0				
	19099	12 7	6335	19 0			25435	11 7
Directors' fees	119	11 9	1278	19 1			1398	10 10
Losses and Depreciations written off by the directors, viz. :—								
Depreciation on property					431	14 9		
Preliminary expenses					2263	4 6		
							2694	19 3
Other losses, viz. :—								
Cost of fitting ship, coal and dock dues					32949	11 1		
Discount on issue of mortgage debentures					3325	0 0		
Repayment of deposits					1634	10 0		
Goodwill					5500	0 0		
							43409	1 1
							72938	2 9
Less :—								
Deposits					2527	15 0		
Loan					1275	0 0		
Estimated profit on ship					40500	0 0		
							44302	15 0
Deficiency as per Statement of Affairs							£28,635	7 9



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OBSERVATIONS.

1. The Winding-up Order was made on the 31st July, 1923, upon the petition of a creditor presented to the Court on the 2nd July, 1923.

2. The Company was incorporated as a private company on the 14th March, 1922 (converted into a public company on the 28th July, 1922), under the name of the British World Travel Trades and Cinematograph Expeditions Limited, with a nominal capital of £25,000 divided into 20,000 Preferred Ordinary Shares of £1 each and 100,000 Ordinary Shares of 1s. each (subsequently increased to £75,000 by the addition of 50,000 Preferred Ordinary shares of £1 each), for the purpose of carrying on trade, travel, and other exhibitions and expeditions, and to enter into the agreement hereinafter referred to in connection therewith.

On the 2nd January, 1923, the name of the Company was changed to The British World Trade Expeditions Limited.

The Company was promoted by Major Joseph Joyce and Captain Ernest Edward Mills Joyce.

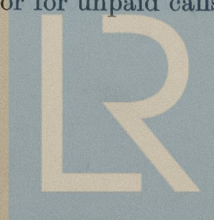
3. The issued capital of the Company at the date of the Winding-up Order was £18,052, representing 13,052 Preferred Ordinary Shares of £1 each, and 100,000 Ordinary Shares of 1s. each issued for cash.

4. The directors of the Company have been as follows :—

Name.	How Appointed.	Joined.	Resigned.
Major Joseph Joyce, D.S.O., M.C.	By Articles	14th March, 1922 ..	—
Captain Ernest Edward Mills Joyce	Do.	Do. ..	—
Maurice Diaz	By Board	20th June, 1922 ..	9th August, 1922
Willaim Shaw Petrie	Do.	Do.	—
Brigadier General Percy Vere Powis Stone, C.M.G., D.S.O.	Do.	Do.	—
George Kenneth Petrie	Do.	2nd May, 1922 ..	—
Charles Eric Cole, A.M.I.M.E. ..	Do.	9th August, 1922 ..	December, 1922
Ben Tillett, M.P.	Do.	21st August, 1922 ..	—
Sir Arthur Cecil Tyrrell Beck, J.P.	Do.	4th November, 1922	4th May, 1923.
Major The Hon. Christopher Lowther	Do.	Do. ..	4th May, 1923.
Rear-Admiral Murray Sueter, C.B.	Do.	Do. ..	3rd May, 1923.
David Allen	4th April, 1923 ..	23rd April, 1923.

On the 18th April, 1922, George Kenneth Petrie was appointed by the Board Secretary of the Company.

5. The qualification of a director other than the first directors was the holding of shares of the Company to the value of £100. All the directors except Allen, who only acted for 19 days, duly qualified, Stone and Tillett acquiring shares from the promoters for that purpose. Lowther is a debtor for unpaid calls, £50.



The remuneration of the directors was fixed at £150 each per annum and £200 for the Chairman, with further remuneration of an amount equal to 10 per cent. of the net profits each year, but not to exceed £1,000 each in any one year.

On the 13th December, 1922, the Company by special resolution increased such remuneration to £250 each and £500 for the Chairman.

According to the Company's books the only director who has been paid any remuneration was Tillett, who has received £119 11s. 9d. on account thereof. Tillett states that he was not aware that the other directors had not been paid remuneration.

Major Joyce acted as Chairman of Directors until 4th November, 1922, when Beck was appointed in his place. Tillett was acting as Chairman of the Company at the date of the Winding-up Order.

6. The registered offices of the Company at the date of incorporation were at 1, Tudor Street, London, E.C. 4, and were subsequently transferred to British Columbia House, 1-3, Regent Street, London, S.W. 1. On the 21st June, 1922, the Company obtained a lease of offices at 5-6, Coventry Street, London, W., for a term of $10\frac{3}{4}$ years at £160 per annum, in respect of which the Company paid a premium of £1,000.

7. The promoters state that the circumstances leading to the promotion of the Company were that in November, 1921, they went into partnership under the style of The British World Travel Trades and Motor Expeditions for the purpose of acquiring a ship to be named the s.s. "British Trade," to go round the world and exhibit British motors and manufactures in 45 different ports. That, having found that the expense of chartering a vessel for a 10 months' voyage would be about £100,000, they decided that the better course would be to purchase one for the purpose, and early in February, 1922, obtained an option to purchase the s.s. "Orontes" from the Orient Steam Navigation Company Limited for £45,000, and paid £250 for the option.

The partnership operated for about four months, and on 16th February, 1922, Major Joyce, as trustee on behalf of the Company, entered into a contract for the purchase of the s.s. "Orontes," £4,500 being paid (by instalments) on account of the purchase price. Owing to the Company not being able to obtain the necessary capital to complete the purchase and the Orient Company having incurred charges and dock dues to that amount, it was mutually agreed that the £4,500 paid should be forfeited, and, as hereafter stated, a new contract was entered into between the Company and the Orient Company.

8. By an agreement dated 18th April, 1922, and made between Joseph Joyce and Ernest Edward Mills Joyce of the one part and the Company of the other part, the Company purchased as from the 1st day of February, 1922, the benefit and goodwill of the vendors' scheme for a Trade Ship Exhibition Expedition, the tenancy of their offices at British Columbia House, and office furniture, fittings and effects for the sum of £5,500 payable in cash.

The agreement also contained the following provisions:—

- (1). That the vendors should have the option for three months of subscribing for 100,000 Ordinary Shares of 1s. each at par.
- (2). The Company to satisfy all debts and liabilities of the vendors, in relation to the scheme, incurred after the 1st February, 1922, and indemnify them against all proceedings in respect thereof.
- (3). Vendors to retain in their own name, or the name of nominees sanctioned by the Board, not less than 50 per cent. of the Ordinary Shares issued by the Company.

(4). That the vendors should be appointed joint managing directors of the Company for life at a salary of £600 per annum each (inclusive of directors' fees) from 1st February, 1922, payable monthly.

The original agreement has not been traced amongst the Company's papers.

According to the minutes, the above agreement was read and approved on 27th March, 1922, and ordered to be engrossed and sealed in due course, but there is no record in the minutes of the agreement having been completed.

Major Joyce states that the agreement was duly completed and stamped. The necessary entries were made in the Company's books completing the transaction.

There is no record in the Company's banking account of the receipt of the £5,000 in respect of Ordinary Shares applied for by the managing directors, or of the payment by the Company of the purchase consideration, and the liquidator will have to consider what the position is regarding such shares.

The balance of the purchase consideration was credited to the respective accounts of the managing directors.

Major Joyce states that no valuation was made of the effects passing under the agreement but that the purchase price was fixed on the basis that he and his brother were to have the whole of the Ordinary Share capital of the Company.

9. The managing directors state that from March, 1922, to January, 1923, every endeavour was made to obtain the necessary finance to carry through their scheme and build up the Expedition by obtaining exhibitors and passengers for the proposed tour.

That they anticipated obtaining 300 trade representatives or first class passengers at £600 each and 250 exhibitors at an average rate of £200 each, and that further revenue was to be obtained from advertising, renting of films taken on tour, and profits on sale of wines, spirits, tobacco, etc.

That contracts for Exhibition space had been either fixed or provisionally agreed upon to the value of £40,000, and it was only the delay in fixing the sailing date of the ship that prevented such contracts being completed.

That the steps taken to obtain finance were that in August, 1922, the Industrial and General Investment Company were approached with a view to the company being floated as a public company and a draft prospectus was prepared by that company on information supplied by the promoters, but the same was never placed before the board for approval or issue, although one or two incomplete copies marked private and confidential were handed to persons who had been approached or introduced to them as being likely to finance the company. The proposed public issue was dropped about September or October, 1922, when Beck, Lowther and Sueter were introduced as being able to subscribe or influence subscriptions for shares to the extent of £30,000, and a Commission note of 7 per cent. to 10 per cent. was given in respect of any capital that they might introduce.

In January, 1923, the debenture holder (Rowland Rank) was introduced to them and he eventually provided £31,675 in respect of which he received debentures as hereafter stated, and as a result they were able to enter into the contract with the Orient Company referred to in paragraph 17.

10. In February, 1923, the directors approached the Trade Facilities Committee for a grant of £20,000 towards the cost of reconditioning the ship, but the application was not successful.

Tillett states that the chief reason for the application being refused was that as the directors had not supported the scheme financially the Secretary to the committee was unable to recommend any grant.

11. The Company entered into separate agreements as undermentioned with employees the terms of which were that they should be appointed to the various posts in consideration of their subscribing for shares in the company with a proviso that in the event of their agreement being terminated, the shares held by them should be taken over by their successors or by members of the company at par unless they desired to retain such shares.

Date.	Name.	Nature of Employment.	Salary or Remuneration.	No. of Shares taken.	Date of Commencement of Duties.
31st March, 1922	Major Goddard	Advance Publicity Agent	£500	250	
2nd April, 1922	G. S. Johnson	Chief Engineer	£570	1000	2nd April, 1922
18th April, 1922	Capt. J. E. Dye	Commander of Ship	£816	2000	1st May, 1922
18th April, 1922	G. K. Petrie	Director and Secretary	£500 to £600	2000	18th April, 1922
19th May, 1922	P. Gross	Representative Member	£240	300	1st June, 1922
15th June, 1922	W. S. Petrie	Director of Art Section	10% on sales to £500 then 50% of profits.	—	20th June, 1922
30th November, 1922	R. L. Leigh	Purser	£504	1000	20th Feb., 1922
14th December, 1922	F. C. Thursby	Representative Member	£300	1000	1st Feb., 1923
28th March, 1923	C. Weller	Exhibition Manager	£500	Nil	1st March, 1923

In all cases except Major Goddard, G. K. Petrie and C. Weller, first class accommodation was to be provided on the ship for the proposed tour.

12. Major Joyce states that Goddard performed his duties as advance Publicity Agent, went round the world, and returned to England in July last.

It will be observed that the majority of these agreements were entered into before the then directors had obtained any material financial support, so that the expenses thus incurred were paid out of deposits received on passage money, exhibition spaces (hereafter referred to) and loans obtained by Major Joyce.

In the opinion of the Official Receiver, the directors were over sanguine as to their obtaining the necessary finance to carry through their scheme, and it is doubtful whether they were justified in entering into definite agreements prior to January, 1923, which was apparently the earliest date that there was any real prospect of the company being financed.

13. Major Joyce states that on 22nd March, 1922, £1,000 was required to complete an instalment on the option for purchase of the ship and that he obtained a loan of

£1,000 on the terms that a bonus of £100 was to be paid, and the whole amount to be repaid on 6th April, 1922. That he gave a receipt in the following terms but treated the loan as a personal one to himself.

"Received the sum of One thousand pounds to be repaid with bonus of one hundred pounds on or before the 6th April, 1922, and as a director of the British World Travel Trades and Cinematograph Expeditions Limited, I undertake that if not otherwise paid the said sum of eleven hundred pounds shall be paid out of the first moneys received by that Company and so far as my power extends I charge all moneys received by way of subscriptions for shares or otherwise by the Company with the payment thereof."

There is no record in the minutes of this transaction and Major Joyce had no authority to charge the share capital or other assets of the company or to give any such undertaking.

According to the company's books £550 of the loan has been repaid.

On 4th October, 1922, judgment was obtained against Joyce and the company in respect of the balance of £550 and costs which judgment was ordered to be set aside as against the company upon payment of the costs but no such payment has been made.

14. The managing directors on behalf of the company, appear to have entered into provisional contracts with various parties for the supply of goods conditional upon such persons taking up shares in the company or exhibition spaces as follows:—

Date.	Name.	Goods.	Exhibition Space or Berths	Shares.
September, 1922	C. H. Witte	Whiskey, Beer, Spirits, to £5000	£600	£500
October, 1922	Hibbert and Company	Ship's Agent, Provisions, etc.	..	£1000
November, 1922	Lipton, Ltd.	Provisions to the extent of £4000	..	£1000
January, 1923	Gladwin, Ltd.	Silver Ware	£1800	£500

In all cases shares were applied for. In Witte's case, deposit on passage was also paid with money supplied by the firms who were to supply the whiskey and beer, Witte being an export agent in that trade. Witte is returned as a debtor for unpaid calls £250, and Lipton Ltd. £875.

On the 13th July, 1923, Lipton Ltd. commenced proceedings against the company for rectification of the register on the grounds of misrepresentation.

Application for leave to proceed with the action has been made but the Court ordered that the same should stand over, to be dealt with in the Liquidation.

Contracts were also entered into with—
Messrs. Aublet Harry and Company for the supply of Laundry Machinery,
Reversible Life Boats Ltd., for the supply of Lifeboats.

A draft contract had also been drawn up for a stock of wines and spirits to the value of £40,000 to be placed on board the ship, such stock to be drawn upon as required.

15. Lowther states that he, Sir Cecil Beck and Admiral Sueter were introduced to Major Joyce by Henry James Houston, that they were informed that it would not be necessary for them to provide any cash, and that he made it quite clear to Major Joyce that these were the terms on which they consented to join the Board; but they were prepared to assist the company by bringing its objects to the notice of their friends.



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That the increase of directors' fees was also one of the terms of their joining the board, as it was understood they would have to give considerable time to the company's affairs.

He also states that he made efforts to obtain financial assistance for the company, but without success.

16. On the 11th January, 1923, the directors obtained a valuation of the s.s. "Orontes," which was placed at £60,000 assuming that the ship had been passed through Lloyd's Special Survey Second (No. 2) and fitted out for 300 1st Class Passengers.

17. According to the minutes, the directors on the 23rd January, 1923, agreed to enter into a contract for the purchase of the s.s. "Orontes" from the Orient Steam Navigation Company, Limited, for £45,000, of which £20,000 was payable on or before the 26th January, and the balance by instalments as follows:—

£12,500 on the 27th April, 1923, or 14 days before the ship sailed.

£6,250 on or before the 26th October, 1923.

£6,250 on or before the 26th January, 1924.

The terms were that the existing contract of 16th February, 1922, should be cancelled and the £4,500 paid thereunder forfeited.

The Orient Company to have a second mortgage for £25,000, bearing interest at 6 per cent. per annum, subject to the first mortgage of £35,000 in favour of Rank.

The contract above referred to cannot be traced amongst the company's papers.

At the time the contract was entered into the ship was lying in the Thames, and was subsequently towed to Hull, and placed in dry dock for the purpose of examination and refitting.

18. The Official Receiver is informed that when the contract of 16th February, 1922, for the purchase of the ship was entered into the company was allowed to have access thereto for the purpose of overhauling the boilers. A watchman was placed on board, and from the 2nd April, 1922, to the 11th May, 1922, Johnson, the chief engineer, was engaged in that work and had five engineers working with him. He states that he found the boilers in a very bad condition.

At this time it was anticipated that the ship would be put in condition in a very short time, but on the 11th May, 1922, the engineers were withdrawn owing to the lock-out of boilermakers, etc., that took place, but Johnson continued to go down to the ship daily until the 22nd October, 1922.

Major Joyce states that in October, 1922, the ship was moved to Southend in order to save expense, and remained there until February, when she was taken to Hull; that on the journey it was obvious that the whole of the boilers and machinery required overhauling, as with the help of a tug it was only possible to proceed at the rate of 5 to 6 knots an hour.

The directors state that tenders were invited for the refitting of the ship, and on the 6th February, 1923, one by Messrs. Livingstone & Cooper for £15,750 was accepted, payable *pro rata* as the work was executed. That it was ultimately found that the amount required to thoroughly overhaul the ship's machinery, etc., was over £30,000.

19. Messrs. Livingstone & Cooper state that work has been executed to the extent of £31,600, in respect of which they have received £6,000, and they therefore claim to have a possessory lien on the ship in respect of the amount unpaid. They ceased work on the 23rd June, 1923, but are of the opinion that the amount spent has increased the value of the ship practically to the full amount, which opinion is confirmed by Johnson, who was on board from the 13th February to 18th May, 1923, and signed for all material used for the purpose of refitting.

On the 14th December, 1923, Messrs. Livingstone & Cooper obtained the leave of the Court to commence an action in the Probate, Divorce, and Admiralty Division of the High Court to enforce their lien.

Dye and Johnson have taken proceedings to enforce their Maritime lien in respect of their claims against the company for salary and expenses, and as a result the ship was arrested on the 31st October, 1923.

20. According to the books of the company, deposits were received in respect of passage money and exhibition space, prior to its incorporation and before any definite contract had been entered into for the purchase of the ship. The total amount received in respect of passage money was £2,324, of which £1,584 10s. has been repaid. The amount received in respect of deposits for exhibition space was £203 15s. 0d., of which £50 has been repaid. The last repayment was made on the 28th February, 1923.

21. On the 23rd January, 1923, the directors passed a resolution creating £35,000 5 per cent. First Debentures, to be issued at £90 10s. per cent.

According to the company's books, the amount in respect of these debentures was dealt with as follows:—

	£	s.	d.
Discount on Debentures	3325	0	0
Orient Steam Navigation Co., Ltd.	20000	0	0
Negotiation Fees	1650	0	0
Costs and Counsel's Fees	65	14	6
Stamp Duty	43	15	0
Registration and other expenses	53	15	0
Balance payable on ship being passed by Lloyd's Survey	9050	0	0
Balance	811	15	6
	£35000	0	0

The balance of £9,050 payable on the ship being passed by Lloyd's was paid in March and April, 1923.

No survey of the ship has taken place, as she has not yet been completed for that purpose.

22. In March, 1923, Mr. Caley, who some six months previously had been introduced to Major Joyce as being able to introduce capital to the extent of £25,000, received a commission note for 10 per cent. on any sum that he or his firm of Allen, Caley & Company might introduce.

As a result of negotiations it was decided that Allen should be appointed deputy chairman of the company, which was done on 4th April, 1923. Subsequently a banking account was opened with a credit of £5,000, guaranteed by Allen, and Caley was given a cheque for £500, his agreed commission.



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The directors state that subsequently some hitch occurred with regard to the remaining £20,000. That at an interview with the bank manager they were informed that the agreed overdraft had been exceeded, and that Allen had failed to put up security for the balance of the loan.

Some dispute arose as to the joint and several guarantee of the directors being given to the bank. This was refused and the transaction was not completed.

The directors further state that this placed the company in a serious position, as contracts had been entered into on the strength of Allen's promise and they found themselves unable to carry on.

In June, 1923, the Company commenced proceedings against Allen, and the liquidator will have to consider whether such proceedings should be continued.

23. On the 1st May, 1923, Beck reported to the board that the financial position of the Company was serious and that he felt that unless the joint managing directors placed their resignations in the hands of the board, and a statement of the liabilities of the Company agreed by the managing directors were handed in, Lowther, Sueter and he would have to resign their positions as directors.

Beck, Lowther and Sueter made it clear that they had no personal feelings against the managing directors, but they were of opinion that the necessary finance could only be obtained if the managing control was placed in other hands.

The managing directors state that they are not aware that these directors had asked for any statement of the Company's liabilities, as they were always available.

Stone states that he prepared a rough statement at the time, disclosing the liabilities (including share capital) to be £128,152, which information all the directors could have had for the asking.

24. On the 14th June, 1923, the directors authorised Major Joyce to raise a loan upon the lease (see paragraph 6), and he states that this was done with the verbal consent of the debenture holder. That he approached someone who was prepared to assist the Company, and on 13th July, 1923, the directors resolved that, conditional upon the consent of the debenture holder and his solicitor, the lease and office furniture be assigned to enable pressing liabilities of the Company in respect of passage money, exhibition deposits and wages to be paid.

No formal assignment was made of the lease, but it was handed over on the understanding that these claims should be paid as and when application was made for them.

No memorandum of the charge was registered and it would therefore appear to be void.

The Official Receiver is informed that the value of the lease and furniture is about £700.

25. On the 10th August, 1923, the debenture holder took steps to protect his security and appointed Mr. Leonard Bevan, of 74, Woodstock Road, Chiswick, London, as Receiver on his behalf.

26. Endeavours have been made by the managing directors to formulate a scheme of reconstruction, and in September, 1923, they submitted to the debenture holder a scheme based on £50,000 cash being provided on a first debenture. Of this £40,000 was to be divided amongst the various classes of creditors and second debentures issued for the remainder of their debts. This scheme was subsequently withdrawn.



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27. The failure of the Company is attributed by its officials to insufficient capital to enable the scheme to be carried out, their efforts to obtain capital resulting in continual disappointments, as a result of which they were forced to the conclusion that the board was not strong enough to inspire sufficient confidence to obtain the capital necessary.

In the opinion of the Official Receiver mismanagement is a contributory cause.

28. The Statement of Affairs was lodged on the 29th August, 1923, and submitted by Joseph Joyce, Director, and George Kenneth Petrie, Secretary.

According to such statement, the assets at the date of the winding-up order were estimated to be worth £42,055, and consist of office furniture and fittings £360, lease of offices £900, unpaid calls £1,177, and surplus from securities in the hands of creditors fully secured £39,618.

In the opinion of the Official Receiver it is very doubtful whether any such surplus will be realised.

Unsecured creditors £14,753 1s. 6d. are in respect of goods supplied and work done £1,299 10s. 4d., bank overdrafts and advances £8,052 8s. 9d., law costs £252 2s. 0d., insurance £87 3s. 9d., deposits for passage money and exhibition space £893 5s. 0d., commission £75, rent £40, accountant's charges £26 5s. 0d., directors' fees £1,527 1s. 8d., managing directors' salaries and expenses £2,500 5s. 0d.

Fully secured creditors (excluding debenture holder) £50,382 are in respect of repairs on s.s. "Orontes" £23,000, and second mortgage on s.s. "Orontes" £27,382. The ship is valued by the directors at £90,000.

The debenture holder (£35,000, plus interest £1,750) also holds a first mortgage on the ship.

Preferential creditors £292 13s. 4d. are in respect of salaries.

29. As a result of the statutory meetings of creditors and contributories, held on the 28th December, 1923, the Official Receiver remains the liquidator.

Dated this 10th day of June, 1924.

E. T. A. PHILLIPS,
Senior Assistant Official Receiver.

33, Carey Street, Lincoln's Inn,
London, W.C. 2.



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