

Re: The Financial Affairs of Mr. W.R. Metcalfe(Under a Deed of Assignment)

Mr. W.R. Metcalfe entered into a Deed of Assignment on the 7th December, 1949. A Statement of Affairs at that date showed an estimated deficiency of £63,000 as against unsecured creditors totalling £38,234. The ships owned by Mr. Metcalfe were mortgaged to Barclays Bank Ltd. to secure a loan and a Receiver had been appointed. No reserve had been made for Schedule D Tax.

The Society was sent a form of assent to the Deed but this was not completed. The Trustee was informed of the benefit accruing to the other creditors if the ships' class were maintained and which necessitated payment in full of the fees.

The amounts due to the Society were:-

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|---------------------|-------------|
| "STAR OF THE REALM" | £47. 10. 0 |
| "CASTLE ROCK" | 23. 10. 0 |
| "DUNAVON" | 78. 2. 8 |
| "RADBOURNE" | 95. 18. 9 |
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| | £245. 1. 5 |
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The Trustee paid the fee on the "STAR OF THE REALM" in order to retain the class on this vessel. The London Outdoor Surveyors obtained a verbal guarantee that the fee for any further work on these vessels would be met by the Trustee in full. Further work was carried out on the "STAR OF THE REALM" but the Trustee maintains that his guarantee was in respect of one vessel only namely the "DUNAVON". Thus the revised amount outstanding is £217. 1. 6 made up as to:-

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|---------------------|------------|
| "STAR OF THE REALM" | £19. 10. 1 |
| "DUNAVON" | 78. 2. 8 |
| "CASTLE ROCK" | 23. 10. 0 |
| "RADBOURNE" | 95. 18. 9 |

The ships "DUNAVON" and "CASTLE ROCK" were disclassed on the 3rd March, 1950 for non-payment of fees. The "STAR OF THE REALM" was disclassed on the 23rd November, 1950 for reported defects i.e., Black Line. A Classification Survey on the "RADBOURNE" was not completed, the amount charged being the estimated fees for work done.

Mr. Barber of Saker & Davis (the Trustee being Mr. R. Langdon Davis) informed me on the telephone this morning that the settlement of this case was being held up pending the agreement of Schedule D tax. Mr. W.R. Metcalfe did not keep proper books during the last 5 years of business, and a great amount of detailed work was necessary in order to prepare accounts acceptable to the Inland Revenue. Accounts have recently been submitted to the Inspector of Taxes but no assessment has yet been made. Mr. Barber stressed the fact that one years assessment will be Preferential.

He also stated that due to liens and charges ^{of other parties} on the ships mortgaged to Barclays Bank Ltd., he felt that quite a large claim would be submitted by the Bank as an unsecured creditor. He estimated that the total amount of unsecured creditors would be in the region of £100,000 (and that therefore the deficiency would be far increased especially considering increased preferential creditors). He would send all creditors a form of assent prior to the declaring of a dividend if any. It is doubtful that unsecured creditors would participate under the circumstances but if they do it will only be a matter of pence in the pound.