

2, SOUTH QUAY,

GREAT YARMOUTH,

19th March, 1928.

DEAR SIR(S),

re Crabtree & Co., Ltd. (In Liquidation)

With this you will receive formal Notice of the Meeting of Creditors in the above-named Company which is fixed to be held at Great Yarmouth on Wednesday the 28th inst., at 5 o'clock p.m.

For your information I think it well to give you a short indication of the circumstances which have led up to the Liquidation of the Company.

The Company, which is a Private one, was incorporated on the 28th of December, 1900, and continued to trade under the management and direction of the late Mr. William F. Crabtree down to May of 1927.

The Company was built up from small stages to a successful trading concern, and during the War period rendered yeoman service to the Admiralty and other Government Departments.

From 1921 onwards the Company experienced in common with other similar concerns, a great shortage of work, and consequently there was nothing like the full output from the Shops, but nevertheless until the year 1925 Mr. Crabtree managed to hold his own very fairly.

In the year 1925 difficulties were experienced owing to the fact that the Income Tax Authorities were pressing for payment of arrears of Excess Profits Duty. After prolonged negotiations an Agreement was arrived at with the Authorities under which the Works were to be carried on upon the understanding that after payment of an agreed Salary to Mr. Crabtree as Managing Director, the balance of Profits should be applied as to three-fourths thereof in reduction of the outstanding Excess Profits Duty, and the other one-fourth to be allowed for Working Capital in the Business. This Agreement was arrived at in the month of December, 1925, and at the same time the Company had to provide for the payment of £5,000 by instalments on account of the outstanding Duty.

These Instalments were duly paid. The Trade done however did not allow of sufficient Profits to permit of any further payment to the Revenue under the Agreement.

In May of 1927, a few days prior to the date fixed for the Annual Meeting of the Company, Mr. Crabtree had unfortunately a sudden attack of illness from which he never rallied, and died on the 24th day of May, 1927.



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Immediately after his death interviews were arranged, and took place between the Solicitors for the Company and the Tax Authorities with a view to the payment of a Composition in respect of the outstanding Duty then amounting to £19,000 with Interest thereon from December, 1925. A suggestion was made to the Authorities, backed up by a Valuation of the Properties made by Messrs. Fuller Horsey Sons & Cassell, and after consideration the Authorities determined to send their own Valuers to view and value up the Works and Properties of the Company, and this was done, with the result that the Authorities intimated they could not accept the suggested compromise.

A reconstruction proposal based upon the compromise submitted to the Authorities had therefore necessarily to be abandoned, and the Company then sought to dispose of its Assets as a going concern, and negotiations took place accordingly, but owing to the fact that there was very little work doing, and of the outlook generally, these negotiations failed, and thereupon the Company was advised to offer the Works for sale by Tender, as it was believed that a better price would be obtained if the whole of the Works could be offered as a going concern, and not subjected to a breaking-up Sale.

Tenders were accordingly asked for by Messrs. Fuller Horsey Sons & Cassell, and as a result of the Tenders and subsequent negotiations with the largest offer made, the Properties comprised in the Particulars of Tender have been sold for £12,000, the most of which will be taken by the Bankers who hold a mortgage on all the Company's Properties. The value of another Shipyard at present vacant, a Dwellinghouse adjoining, and the outstanding Book Debts, comprise the Assets of the Company.

The outstanding Liabilities are being ascertained, and a Schedule of these, together with a full Report on the Assets will be submitted to the Meeting on the 28th instant.

It is a matter of deep regret that this old-established Business has come to such an unfortunate termination, resulting not only in the disposal of the whole concern, but also in the loss of the whole of the Capital employed by the late Mr. Crabtree and his Family in the concern, as well as the resulting loss to Creditors.

I think it well to let you have this Statement of the position in case you are unable to attend the Meeting.

Believe me,

Yours faithfully,

ALBERT E. LARK,

Liquidator.



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