

THE BANKRUPTCY ACTS 1914 and 1926.

IN THE LEICESTER COUNTY COURT.

IN BANKRUPTCY.

No. 19 of 1922.

re WILLIAM ERNEST THACKER of 83, Uppingham Road,  
Leicester, Engineer.

(summary Case)

THE OFFICIAL RECEIVER'S REPORT TO THE COURT ON THE BANKRUPT'S APPLICATION  
FOR DISCHARGE.

(Application ordered to be heard on 9th November 1944).

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THE OFFICIAL RECEIVER in the above matter hereby REPORTS as follows:-

1. The Receiving and Adjudication Orders were made on 1st May 1922, on the debtor's own petition.

The First Meeting of Creditors was held on 12th May 1922. The Official Receiver remained Trustee of the estate.

The Public Examination was concluded on 7th July 1922.

2. According to the bankrupt's Statement of Affairs, the liabilities to rank for dividend were estimated at £2212.10.0., but the proofs actually admitted at this date (£1940.19.8.) and the probable claims not yet lodged (£230.5.2.) amount to £2206.4.10. The liabilities comprised £2045 money borrowed; £150 workdone on shoe finishing machines; £45 advertising, and £30 motor repairs etc., the balance - some £25 - representing household and personal accounts. The assets, so far as they were not assigned to creditors partly secured, were estimated to produce 284, and realized 289.2.0. The preferential and other claims payable in full were stated by the bankrupt to be £11, and the amount of such claims was 20.18.6. Therefore, the balance available for costs and for distribution among unsecured creditors was £90.3.6., instead of £73 as estimated by the bankrupt.

3. A first and final dividend of 5<sup>3</sup>/<sub>4</sub>d. in the £ was paid on proofs for £1940.19.8.

4. The bankrupt (now aged 55) is an engineer by trade. For some twelve years before his failure, however, he was employed as Traveller by a Company dealing in Shoe Findings, and from about 1918 onwards he was interested in a Shoe Finishing Machine invented and patented by him at considerable expense. In February 1920, at which time the bankrupt estimated that his excess of assets over liabilities amounted to some £1500, he commenced business at St. Saviours Hill, Leicester, as "The Capstan Engineering Company" for the purpose of placing his Shoe Finishing Machine on the market, but he states that in consequence of his employers objecting to the time expended by him in

connection therewith, he, in October 1921, transferred his business (which was re-named H. Meadows & Co.) to his wife and another without consideration, other than an understanding that certain liabilities relating to the business would be discharged by them. According to the bankrupt, the initial cost of equipping his premises amounted to £400, and he admitted that at the time of transfer the business was practically insolvent.

5. The bankrupt stated that the Shoe Finishing Machine invented by him effected a certain saving in operation. He appears to have spent upwards of £1000 in experimental work and patent fees, and it was in connection with this experimental work that a large part of the money borrowed by the bankrupt was expended.

6. The business was never successful, and on the 8th March 1922, some six weeks before the date of Receiving Order, a meeting of creditors was held at which the bankrupt proposed that a portion of his income should be set aside for the benefit of creditors generally. This proposal was not unanimously accepted, however, and on an execution being levied by a creditor for £320, the bankrupt filed his petition.

7. At his Public Examination the bankrupt admitted that he was insolvent to his knowledge in September 1921, some eight months before he filed his petition. He attributed his failure to the heavy expense of bringing out and exploiting his Shoe Finishing Machine; the non-success of the business established to put the machine on the market, brought about by the general slump; the loss of £350 through a bad motor car deal in 1920; heavy depreciation of investments and loss on Stock Exchange speculations. With regard to the Shoe Finishing Machine the bankrupt spent upwards of £1000 on experimental work and patent fees etc. The loss on the motor car transaction arose through the purchase of a car at the price of £200, which after the additional cost of overhauling and fitting a new body realised only £50 on re-sale. According to the bankrupt, the loss of Stock Exchange transactions amounted to £120 in oil and iron and steel shares. A contributory cause of insolvency was the fact that for some two years before his bankruptcy the bankrupt was in the hands of moneylenders, whose interest charges on loans amounted to about £275. The alleged depreciation of investments arose from the fact that the bankrupt valued his shares in the Company employing him at £2.10.0. each, whereas the par value was £1 only. At his Public Examination the bankrupt admitted that no sales of the shares had taken place, and that the figure of £2.10.0. per share represented a paper value only.

8. The bankrupt produced a set of books, and in his Deficiency Account, which covered the period from 1st February 1920 to the date of Receiving Order, accounted for the deficiency of £2139.10.0. shown by his Statement of Affairs as follows:-

Moneys expended in experimental work and in exploiting			
Capstan Shoe Finishing machine	...	2943.10. 0.	
Net trading loss	...	571. 0. 0.	
Loss on motor car deal in 1920	...	350. 0. 0.	
Loss on Stock Exchange speculations	...	120. 0. 0.	
Interest on moneylenders' loans	...	274. 0. 0.	
Interest on Bank overdraft	...	106. 0. 0.	
Household and personal expenses of self, wife and two children	...	910. 0. 0.	
Depreciation of investments	...	1530. 0. 0.	
			4804.10. 0.
<u>Less:</u> Estimated capital as at 1st February 1920	£1500.		
Salary as Director of Limited Company	930.		
Dividends on investments	265.	2665. 0. 0.	
			<u>Deficiency .... £ 2139.10. 0.</u>

9. And having regard to Section 26, sub-section 3, of the Bankruptcy Act 1914, as amended by Section 1 of the Bankruptcy (Amendment) Act 1926, the Official Receiver submits:-

- (a) That the bankrupt's assets are not of a value equal to ten shillings in the pound on the amount of his unsecured liabilities.
- (b) That the bankrupt has continued to trade after knowing himself to be insolvent.

10. The bankrupt's conduct during the bankruptcy proceedings was satisfactory. He still resides at 23, Uppingham Road, Leicester, and states that he is employed as an Engineer at a net weekly wage of £5.2.0.

Dated this 1st day of November 1944.

*George S. Collins*  
 Official Receiver.