

4. On the 3rd day of November, 1923, the said bank caused the company's land, buildings, plant, and machinery affixed thereto to be sold through the Registrar of the Supreme Court at Gisborne, and at the sale the said land, buildings, plant, and machinery were purchased by Nelson Bros. (Limited), on behalf of Vestey Bros. (Limited), for a gross sum of £217,000. I am informed that other assets of the company are being sold by the receivers appointed by the bank to Vestey Bros. (Limited), making up the total gross consideration to £225,000.

5. Before the said sale receivers on behalf of the said bank were in possession of the said works, and since the said sale the said Vestey Bros. (Limited) have been in possession of the said works as owners thereof. The company is no longer carrying on business as a freezing company, and by means of the said sale has lost, with trifling exceptions, all its New Zealand assets.

6. The directors of the company consider that the company has lost over £200,000 by reason of the said sale. There is a balance still due to the National Bank of New Zealand (Limited) by the company of about £100,000 when certain credits are allowed for. The bank has sent demands for payment of £120,000 to each of certain persons who had executed in favour of the bank a joint and several guarantee of the company's account.

7. The main reason why the company has not gone into voluntary liquidation is that it has an interest in the steamship "Admiral Codrington," whose port of registry is Glasgow, in the United Kingdom. The said ship is, however, subject to a mortgage to the Bank of Scotland for the sum of about £60,000, and under present conditions with regard to shipping it is not possible to sell her. At the present time the said ship is not trading to New Zealand, but is engaged in the carriage of goods between South American ports and England. The profits derived from such trading are not being remitted to New Zealand. The main object, therefore, in keeping the company still in existence is so that the ship can be sold when a suitable opportunity offers, instead of being sold by a liquidator at an inopportune time. In any event it is plain that any surplus above the amount of the mortgage over the said ship will not be sufficient to discharge the balance due to the said bank. The holders of shares in the capital of the company will not receive anything when the company eventually goes into liquidation.

8. On the 15th day of December, 1923, a special resolution of the shareholders of the company was passed reducing the nominal capital to £130,330, and this was confirmed on the 31st day of December, 1923. The resolution has not yet been confirmed by the Court, but it is proposed to make application to the Court for confirmation of the reduction. The figure £130,330 is a purely arbitrary figure, and was arrived at by cancelling the shares that had not been taken or agreed to be taken by any person, and by cancelling all the capital that had been paid up or which ought to have been paid up prior to the date of the resolution for reduction.

9. The company has no funds with which to pay the annual license, and any moneys which it may possibly receive by means of calls or otherwise must at once be paid to the bank.

10. On behalf of the company I undertake immediately to notify the Commissioner of Stamp Duties in the event of the company resuming operations in New Zealand as a freezing company.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Justices of the Peace Act, 1908. W. DOUGLAS LYSNAR.

Declared at Gisborne, this 23rd day of February, 1924, before me—

G. PARKER,

A Solicitor of the Supreme Court of New Zealand.

*We find it difficult to understand the contents of the last paragraph of this letter of the 25th February, in view of the conditions of the declaration made by Mr. Lysnar two days earlier.*

We unhesitatingly accept Mr. Witters' statement that he was not aware of this declaration having been made, and we consider that he was not associated with this declaration in any way.

A letter, dated the 8th March, from the secretary of Mr. Lysnar's company to the Meat Board, mentions an offer that Mr. Lysnar's company made to the Meat Board to put the "Codrington" under charter to the Meat Board, so that the Meat Board might gain all the necessary experience, &c.

We have considered the complaint of Mr. Lysnar relative to the Meat Board not chartering the steamer under the proposed conditions, and, apart from other reasons, we consider that Mr. Jones's explanation given at page 1393 is a sound one, and a sufficient answer to this complaint, especially in view of the difference of opinion among counsel relative to the absence of statutory authority enabling the Board to charter vessels.

A meeting took place between certain members of the New Zealand Meat Producers' Board and certain directors of the Poverty Bay Farmers' Meat Company on the 17th March, 1924. A copy of these notes is attached as Appendix Q.