

5111
III THE PRIVY COUNCIL

18, 1960

No. 12 of 1959

ON APPEAL
FROM THE WEST AFRICAN COURT OF APPEAL
(GOLD COAST SESSION)

B E T W E E N

THE CHEAPSIDE SYNDICATE LIMITED

(Defendants) Appellants

- and -

G. STANLEY LEWIS

(Plaintiff) Respondent

RECORD OF PROCEEDINGS

T.L. WILSON & CO.,
6, Westminster Palace Gardens,
London, S.W.1.

Solicitors for the Appellants.

A.L. BRYDEN & WILLIAMS,
53, Victoria Street,
London, S.W.1.

Solicitors for the Respondent.

ON APPEAL
FROM THE WEST AFRICAN COURT OF APPEAL
(GOLD COAST SESSION)

UNIVERSITY OF LONDON
W.C.I.
- 7 FEB 1961
INSTITUTE OF ADVANCED
LEGAL STUDIES

B E T W E E N

THE CHEAPSIDE SYNDICATE LIMITED
(Defendants)

Appellants 5036A

- and -

G. STANLEY LEWIS (Plaintiff)

Respondent

RECORD OF PROCEEDINGS

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E X H I B I T S

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| "Y" | Articles of Association Nos.6-12 of Cheapside Syndicate, Ltd. | |

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1.

No. 1.

WRIT OF SUMMONS

Suit No.32/1951

IN THE SUPREME COURT OF THE GOLD COAST
EASTERN JUDICIAL DIVISION
DIVISIONAL COURT
HOLDEN AT ACCRA

In the Supreme
Court of the
Gold Coast.

No. 1.

Writ of Summons
27th February,
1951.

BETWEEN:- G. STANLEY LEWIS of Accra Plaintiff

- and -

10

THE CHEAPSIDE SYNDICATE,
LIMITED, of P.O. Box 208
Accra, per their Managing
Director George Francois Defendants

20

To The Cheapside Syndicate Limited, of P.O.
Box 208, Accra, per their Managing Director George
Francois YOU ARE HEREBY COMMANDED in His Majesty's
name to attend before this Court at Accra on Monday
the 12th day of March 1951 at 8.30 o'clock in the
forenoon, then and there to answer a Suit by the
Plaintiff herein of Accra against you.

30

The Plaintiff's claim against the Defendants
is for the sum of Four thousand two hundred and
seventeen pounds five shillings and eight pence
(£4,217.5.8d) Whereof (a) the sum of Six hundred
and forty-five pounds eleven shillings (£645.11/-)
is balance of arrears of Salary computed up to 31st
March, 1949, as acknowledged in the Statement of
Account attached by the Defendants to their letter
dated 23rd February, 1950 addressed to the Plain-
tiff's former Solicitor Mr. J. Sarkodee-Adoo, (b)
the sum of Three thousand five hundred and seventy
one pounds fourteen shillings and eight pence
(£3,571.14.8d) is the Plaintiff's one-third (1/3)
share of profits computed up to 31st March, 1949,
also acknowledged in Statement of Account attached
by the said Defendants to their letter dated 23rd
February, 1950, addressed to the Plaintiff's former
Solicitor Mr. J. Sarkodee Adoo - both amounts
claimed for salary and share of profits being due
under the said Defendants Agreement of Employment
of the said Plaintiff.

40

In the Supreme
Court of the
Gold Coast.

No. 1.
Writ of Summons
27th February,
1951
- continued.

The Plaintiff further claims an Order for payment of interest on the total amount of £4,217.5.8d. claimed herein reckoned at 5% per annum from 1st April 1949 up to date of Judgment.

| | | |
|----------------|-----|-----------------------|
| Sum claimed | (1) | £4,217. 5. 8d |
| | (2) | Judicial Relief. |
| Court fees | | 23. -. -. . |
| Bailiff's fees | | - . 1. -. . |
| TOTAL | | <u>£4,240. 6. 8d.</u> |

Issued at Accra the 27th day of February 1951. 10

(Sgd.) J.E.K. Attram
REGISTRAR, DIVISIONAL COURT, ACCRA.

No. 2.

Notice of
Amendment of
Writ of Summons
12th March,
1951.

No. 2.

NOTICE OF AMENDMENT OF WRIT OF SUMMONS
IN THE SUPREME COURT OF THE GOLD COAST
EASTERN JUDICIAL DIVISION
DIVISIONAL COURT
ACCRA.

(Title as No. 1)

NOTICE OF AMENDMENT

20

PLEASE TAKE NOTICE that at the hearing of the above-named suit the Plaintiff will ask leave of the Court to amend his Writ of Summons to read as follows :-

The Plaintiff's claim is for the sum of Four thousand two hundred and seventeen pounds five shillings and eight pence (£4,217.5.8d) payable by the Defendants to the Plaintiff, being money found to be due from the Defendants to the Plaintiff on an account stated between them.

30

Particulars:-

23rd February, 1950.

Balance of arrears of the Plaintiff's salary computed up to 31st March 1949 acknowledged in the Statement of Account attached by the Defendants to their letter of this date addressed to

the Plaintiff's former Solicitor
Mr. J. Sarkodee-Adoo

£ 645.11. -

In the Supreme
Court of the
Gold Coast.

23rd February, 1950.

The Plaintiff's one-third (1/3) share
of profits computed up to 31st March,
1949, also acknowledged in the State-
ment of Account attached by the said
Defendants to their letter dated the
23rd February, 1950 addressed to the
Plaintiff's former Solicitor Mr. J.
Sarkodee-Adoo

3571.14. 8

TOTAL £4217. 5. 8

No. 2.

Notice of
Amendment of
Writ of Summons

12th March,
1951

- continued.

10

The Plaintiff further claims an Order for payment
of interest on the total amount of £4217. 5. 8d.
claimed herein reckoned at 5% per annum from 1st
April, 1949 up to date of judgment.

DATED AT AZINYO CHAMBERS, ACCRA, THIS 12th DAY OF
MARCH, 1951.

(Sgd.) K.Bentsi-Enchill
for K.Adumua-Bossman
SOLICITOR FOR THE PLAINTIFF

20

No. 3.

PROCEEDINGS.

Mr. Bossman (with him Enchill) for Plaintiff.
Lokko for Defendants.

Enchill asks for leave to amend in terms of appli-
cation merely clarification of writ filed.
Original claim needs clarification.

30

Lokko now claims for account stated. Original not
on account stated. Therefore old writ cannot be
amended.

Bring up another claim for account stated and with-
draw present claim.

Enchill not object to pleadings. Filed on writ as
amended.

Order for pleadings on amended summons. 21, 14, 7
days.

Defendant submits not required to plead fraud to
reopen account stated.

40

(Sgd.) H.G. Morgan
JUDGE.

In the Supreme Court of the Gold Coast.

No. 4.

STATEMENT OF CLAIM

(Title as No. 1)

No. 4.

STATEMENT OF CLAIM

Statement of Claim.

6th April 1951.

1. The Plaintiff's claim is for the sum of Four thousand two hundred and seventeen pounds five shillings and eight pence (£4,217.5.8d) payable by the Defendants to the Plaintiff, being money found to be due from the Defendants to the Plaintiff on an account stated between them.

10

Particulars:-

23rd February, 1950.

Balance of arrears of the Plaintiff's salary computed up to 31st March 1949 acknowledged in the Statement of Account attached by the Defendants to their letter of this date addressed to the Plaintiff's former Solicitor Mr. J. Sarkodee-Adoo

£ 645.11. -

23rd February, 1950.

20

The Plaintiff's one-third (1/3) share of the profits computed up to 31st March 1949 also acknowledged in the Statement of Account attached by the said Defendants to their letter dated 23rd February 1950 addressed to the Plaintiff's former Solicitor Mr. J. Sarkodee-Adoo

£3571.14. 8

TOTAL £4217. 5. 8

2. The Plaintiff further claims an order for payment of interest on the total amount of £4217.5.8d. claimed herein reckoned at 5% per annum from 1st April 1949 up to the date of judgment.

30

The work and labour done for the Defendants, the Plaintiff claims £3571.14.9d in the alternative for the period 1948-9.

DATED AT AZINYO CHAMBERS, ACCRA, this 6th day of APRIL, 1951.

(Sgd.) K. Bentsi-Enchill
for K. Adumua-Bossman
SOLICITOR FOR THE PLAINTIFF.

40

No. 5.

STATEMENT OF DEFENCE

Suit No.32/1951

IN THE SUPREME COURT OF THE GOLD COAST
EASTERN JUDICIAL DIVISION
DIVISIONAL COURT, ACCRA.

In the Supreme
Court of the
Gold Coast.

No. 5.

Statement of
Defence.

19th April, 1951.

BETWEEN:- G. STANLEY LEWIS of Accra Plaintiff

- and -

CHEAPSIDE SYNDICATE of Accra Defendants

10

STATEMENT OF DEFENCE

1. The Plaintiff was an employee of the Defendant Company Merchants trading in Accra.
2. The Plaintiff's services were terminated on the 31st day of March 1950.
3. The Defendants aver that the Plaintiff's account was prepared to 31st day of March 1950 and a cheque for his undrawn salary amounting to £960.18.10d. was forwarded to his Solicitor Mr. J. Sarkodee-Adoo by registered letter dated the 23rd day of February 1950.
4. The Defendants further aver that the Plaintiff's recommended share of profits was in goods and a list of goods showing quantities and values was prepared and forwarded to his said Solicitor under registered cover dated the 23rd day of February 1950. Plaintiff was requested to collect his goods.
5. The Plaintiff returned the cheque for undrawn salary. Plaintiff made no attempt to collect his goods.
6. The Plaintiff sues for undrawn salary to 31st day of March 1949. Plaintiff was under salary to 31st day of March 1950. Defendants can proceed no further in their defence until they know whether Plaintiff is suing in instalment. The Defendants are ready and have always been willing to pay to the Plaintiff what is due to him.

20

30

6.

In the Supreme
Court of the
Gold Coast.

No. 5.
Statement of
Defence.
19th April 1951
- continued.

7. The Defendants are prepared to account for the Plaintiff's goods sold through their organisation and for the residue handed to an Auctioneer.
8. The Defendants deny any contract as alleged by the Plaintiff.
9. The Defendants deny that the Plaintiff is entitled to any interest as claimed.

DATED AT ACCRA THE 19th day of APRIL, 1951.

(Sgd.) C.C. Lokko
SOLICITOR FOR DEFENDANTS.

10

No. 6.
Reply to
Statement of
Defence.
2nd May, 1951.

No. 6.

REPLY TO STATEMENT OF DEFENCE

(Title as No.5)

REPLY TO DEFENDANTS' STATEMENT OF DEFENCE

The Plaintiff joins issue with the Defendants on their defence.

DATED AT AZINYO CHAMBERS THIS 2nd day of MAY, 1951.

(Sgd.) K.Bentsi-Enchill
for K.A. Bossman
PLAINTIFF'S SOLICITOR.

20

No. 7.
Notice to amend
Reply to Defence
11th January,
1952.

No. 7.

NOTICE TO AMEND REPLY TO DEFENCE

(Title as No. 1)

TAKE NOTICE that at the trial of the above-named action the Plaintiff will obtain the leave of the Court, (A) to amend his Reply to the Defendants' Statement of Defence, by deleting the words "the Plaintiff joins issue with the Defendants on their Defence" and substituting therefor the following:-

30

(1) The Plaintiff as to the defence says that he admits paragraphs 1, 2, and 3 of the defence,

7.

and in so far as it admits Plaintiff's 1/3 (one-third) share of profits, paragraph 4 thereof.

(2) But the Plaintiff objects to the attempt to pay this one-third share of profits to him in goods, and admits paragraphs 5 and 7 of the Defence but says that they do not meet the point of substance.

10 (3) As to paragraph 8 of the Defence the Plaintiff avers that this is a claim based on an account stated, which affords a distinct cause of action.

And (B) to have the preliminary issue tried whether or not the said Statement of Defence discloses any legal defence to the Plaintiff's claim.

DATED AT NAOPBERG CHAMBERS, ACCRA, THIS 11th day of JANUARY, 1952.

(Sgd.) K. Bentsi-Enchill
SOLICITOR FOR PLAINTIFF.

In the Supreme Court of the Gold Coast.

No. 7.

Notice to amend Reply to Defence.

11th January, 1952

- continued.

No. 8.

20

NOTICE TO AMEND DEFENCE

(Title as No. 1)

TAKE NOTICE that the Defendants intend to apply at the hearing of this Suit that they may be at liberty to amend their Defence by adding the following:

Defence:

The Defendants aver that

10. By Clause 21 of the Articles of Association of the Company the Assets belong to the Shareholders

30

and

By Clause 61 of Table A of the Companies Ordinance Cap. 156 adopted by the Company the remuneration of the directors shall from time to time be determined by the Company in general meeting the one-third share of profits claimed by the Plaintiff is without authority

No. 8.

Notice to Amend Defence.

25th January, 1952.

In the Supreme Court of the Gold Coast.

and the offer of the Managing Director which was withdrawn and upon which the Plaintiff's claim is based is ultra vires the Company and void.

No. 8.

DATED AT ACCRA THE 25th day of JANUARY, 1952.

Notice to Amend Defence.

(Sgd.) C.C. Lokko

25th January, 1952

SOLICITOR FOR DEFENDANTS.

- continued.

No. 9.

No. 9.

Particulars of the Account stated.

PARTICULARS OF THE ACCOUNT STATED

(Title as No.1)

10

Particulars of the Account stated by the Defendants to the Plaintiff referred to in the Plaintiff's Claim.

Filed on behalf of Plaintiff by

(Sgd.) K. Bentsi-Enchill

PLAINTIFF'S SOLICITOR.

THE REGISTRAR,
DIVISIONAL COURT,
ACCRA.

STATEMENT "A"

SALARY ACCOUNT GEORGE STANLEY LEWIS.

| Dr. | | £. s. d | | Cr. |
|---------|-----------------------------|---------------------|----------------------------------|-------------------|
| 1/4/47 | To Remittance to U.K. | 150. 0. 0 | By Balance | £. s. d |
| to | " Amount drawn Bank | 90. 0. 0 | " Remittance U.K. | 473.10. 5 |
| 31/3/48 | " Transfer from Advance A/c | 168.13. 3 | reversed and placed Advance i/c | 150. 0. 0 |
| | " Balance | 628.17. 2 | Interest on Deposit | 14. 0. 0 |
| | | <u>£ 1037.10. 5</u> | Salary 12 months | 400. 0. 0 |
| 1/4/48 | To Cash Book | | £ | <u>1037.10. 5</u> |
| to | Balance debited | 29.19. 2 | By Balance | 628.17. 2 |
| 31/3/49 | " Drawings Barclay's Bank | 465. 0. 0 | " Salary 12 months | 500. 0. 0 |
| | " Lorry cartage dis-allowed | 7. 7. 0 | " Interest on Deposit | 19. 0. 0 |
| | " Balance | 645.11. 0 | | |
| | | <u>£ 1147.17. 2</u> | | |
| 1/4/49 | To Drawings Barclay's Bank | 376. 5. 0 | By Balance | 645.11. 0 |
| to | " " from Cash | 25. 0. 0 | " Salary 12 months | 700. 0. 0 |
| 8/2/50 | " " X'borg premises | 24.18. 0 | " Rental X'borg premises | 24.18. 0 |
| | " Balance | 960.18.10 | Interest on Deposit | 16.12.10 |
| | | <u>£ 1328.15. 2</u> | £ | <u>1328.15. 2</u> |
| Sic. | | | 9/2/50 By Balance due G.S. Lewis | £ 960.18.10 |

FOR AND ON BEHALF OF CHEAPSIDE SYNDICATE LTD.
(Sgd.) George Francois - Managing Director.

In the Supreme Court of the Gold Coast.

No. 9.
Particulars of Account stated - continued.

In the Supreme Court of the Gold Coast.

No. 9.

Particulars of Account stated - continued.

STATEMENT "B"

GEORGE STANLEY LEWIS

LEAVE ADVANCE ACCOUNT

| | | | | | | | | | |
|---------|-------------------|------|-----|----|--|-----|-------------|-----------|-----------|
| Dr. | | £. | s. | d | | Cr. | £. | s. | d |
| 31/3/47 | Fare to London | 55. | 4. | 0 | | | 55. | 4. | 0 |
| | Remittance London | 150. | 0. | 0 | | | 3. | 12. | 2 |
| 31/3/48 | Remittance | 232. | 16. | 11 | | | 283. | 12. | 5 |
| | " | 25. | 15. | 3 | | | 168. | 13. | 3 |
| | Ex Biddle Sawyer | 47. | 5. | 8 | | | <u>511.</u> | <u>1.</u> | <u>10</u> |
| | | | | | | | £ | | |

FOR AND ON BEHALF OF CHEAPSIDE SYNDICATE
(Sgd.) George Francois,
Managing Director.

STATEMENT "C"

GEORGE STANLEY LEWIS

SUSPENSE ACCOUNT

| | | | | | | | | | |
|---------|---------------------|----|----|---|--|-----|----------------|------------|----------|
| | | £. | s. | d | | Cr. | £. | s. | d |
| 31/3/49 | 1/3rd Profits of | | | | | | | | |
| | £10,715.4.7. being | | | | | | | | |
| | goods in stock | | | | | | | | |
| | reckoned at Cost | | | | | | | | |
| | Price and unrealis- | | | | | | | | |
| | able at Cost Price | | | | | | <u>£3,571.</u> | <u>14.</u> | <u>8</u> |

FOR AND ON BEHALF OF CHEAPSIDE SYNDICATE LTD.
(Sgd.) George Francois,
Managing Director.

No. 10.

PROCEEDINGS

(Title)

In the Supreme Court of the Gold Coast

No.10.

Proceedings.

11th March, 1952.

Enchill for Plaintiff.

Lokko with Francois for Defendants.

Enchill opens:- Claim based on account stated as per particulars on file.

By Court:- Lokko interposes and objects to the use of the words, "Account Stated". Says there was no account stated.

10

Enchill continues:-

Claim is what is admitted to be due to Plaintiff up to 31/3/49 by the Defendant Company. No denial in the Pleadings to the claim of £645.11/- and no denial of admission as to the claim of 1/3rd share of profits up to 31/3/49. No payment into Court in respect of the £645.11/- despite the plea of tender before action brought contained in paragraph 3 of Statement of Defence as required by Order 21 Rule 1 (1) of Cap.4. Refers to paragraph 10 of the amended Defence. Refers to paragraph 7 of Defence.

20

PLAINTIFF'S EVIDENCE

No. 11.

EVIDENCE OF GEORGE STANLEY LEWIS

Plaintiff's Evidence.

No.11.

30 GEORGE STANLEY LEWIS: S.O.B. in English

Trader in Accra. I worked with Defendant Company from about 1935 to March 1950 as District Agent. I received a letter dated 8/2/50 from the Chairman and Managing Director of the Company terminating my appointment. Tendered no objection marked "A". I left the Company at the end of March 1950. I received nothing from the Company. My balance with them was not paid. I wrote to the Company demanding payment. I received no satisfactory reply. This reply is dated 15/2/50 signed by C.C.Lokko, Secretary to the Company. Tendered no objection marked "B". I caused my Solicitor to

George Stanley Lewis.

11th March, 1952.

Examination

"A"

40

"B"

In the Supreme
Court of the
Gold Coast.

Plaintiff's
Evidence.

No.11.

George Stanley
Lewis.

11th March,
1952.

Examination
- continued

write to the Company on 31/1/50 (original letter asked from Defendants' custody. Notice to produce served). There were series of correspondence. These firm letters - 17/2/50, 25/2/50, 17/3/50, 24/8/50 and 14/9/50 - are the originals (Tendered no objection marked "C", "D", "E", "F", "G"). This is one of the replies to my letter dated 18/3/50 (Tendered no objection marked "H"). I caused a writ of summons to issue against Defendants on 27/2/51. I amended my claim about March 1951. This is a letter addressed to my Solicitor dated 23/2/50 from the Defendant Company. Three Statements of Account were attached to the letter (Tendered no objection marked "J" and "J1" - "J3"). The Statement of Account on 31/3/49 shows £645.11/-. It is marked "J1". The Statement of Account "J3" shows Suspense account of Plaintiff at 31/3/49 at 1/3 profits stated to be in goods valued at Cost Price of £3571.14.8d. The dispute between us was that I insisted in taking 1/3 share in cash and not in goods. This is letter dated 15/4/49 from the Secretary of the Company. It is a Notice for extraordinary meeting.

sic

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By Court: Letter tendered.

Lokko objects on ground it has nothing to do with the case before Court.

Enchill: It bears on the case. Objection overruled.

"K" Accepted and marked "K"

This is another Notice of Directors' meeting dated 15/4/49 directed to me. (Tendered no objection marked "L"). This is another Notice of 11/10/49 from the Secretary of the Company for extraordinary meeting. Tendered. Objected to by Lokko as having no bearing on matter before the Court.

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Enchill:

Defendants' plea on their defence is that the claim is based on ultra vires offer by the Managing Director and Plaintiff must rebut by producing evidence.

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By Court:

"M" Objection overruled. Accepted and marked "M".

I have here a memorandum dated 9/9/49 signed by the Managing Director of the Company. Tendered no objection marked "N". I have served Notice on Defendants to produce the profit and loss Account for the year 1948-1950.

"N"

By Court:

Counsel calls for the P/L Account.

Lokko for Defendants objects on ground claim sic before the Court is one of for arrears of Salary computed at £960.18.10d. which does not arise under P/L account. Claim is not by a shareholder into financial standing of the Company. The 1/3 share cannot be ascertained from the P/L account. The offer by the Manager of the 1/3 share was ultra vires and Plaintiff must satisfy Court on that point.

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Enchill: Nature of claim obvious. Claim for a stated amount admitted by the Defendant to be due to Plaintiff. Paragraph 10 of Exhibit "N" states that the 1/3 share of £3571.14.8d. will be shown in the P/L accounts. Submits it is material to prove this 1/3 share by the P/L account. Counsel for Defendants does not deny the 1/3 share of profits is stated in P/L. Defendant is in possession of the materials.

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By Court: Objection overruled.

Lokko states Ledger to be produced next hearing. Not available in Court.

Examination-in-chief continues:

The same 1/3 share was allowed to the Managing Director stated in the Company books. This is an additional Assessment dated 31/1/50 assessing me for Income Tax on share of profits amounting to £3,572. Tendered. Objected to by Lokko as it bears no relation to the case.

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By Court: Objection overruled. Accepted and marked "O"

I received Exhibit "O" from the Commissioner of Income Tax for the period 1949-50. This is based on my income for the period 1948-1949. I asked for extension of time for payment. The Company made its returns to the Income Tax every year whilst I was in the Company. I made no returns to the Income Tax Department concerning the additional assessment of £3572. The information was supplied by the Company to the Income Tax Department on their returns. I gathered this fact from an interview with the Income Tax Department. This is a letter from the Company dated 30/3/50 (Tendered, no objection, marked "P"). I did not go to collect the

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In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

11th March, 1952.

Examination - continued.

"O"

"P".

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

11th March, 1952.

Examination - continued.

goods in lieu of payment in cash because there was no understanding to that effect. I was demanding payment in cash. I did not accept the tender of payment of £960.18.10d. by cheque purporting to be salary up to 31/3/50. I returned the cheque as I feared its acceptance would prejudice my claim. This is a note dated 28/7/48 initialled by the Managing Director of Defendant Company. It shows what was intended to be my salary for the year commencing 1948. Tendered objected to by Lokko on ground no connection on the face of it with case before Court.

"Q" By Court: Objection overruled. Accepted and marked "Q" 10

"R" This is a letter from the Cheapside Syndicate dated 30/9/48 to me. (Tendered, no objection, marked "R"). This is a letter from Defendant Company dated 15/10/48 to me. (Tendered, no objection marked "S"). This is a letter dated 28/3/49 (Tendered, no objection, marked "T"). 20

By Court: Adjourned at this stage: 12/3/52.

(Sgd.) C.S. Acolatse
Ag.J.

12th March, 1952.

12th March, 1952.

Examination-in-chief:

Plaintiff still on oath:

"U" I wrote a letter to the Company in reply to Exhibit "T". It is dated 5/4/49 (Tendered, no objection, marked "U"). This is a reply from the Company to my letter. It is dated 9/4/49 (Tendered no objection, marked "V"). This is a letter from the Company dated 31/10/49. Tendered objected to by Lokko on ground letter irrelevant. 30

Enchill:- Submits it is relevant.

By Court:

"W" Objection overruled. Admitted, marked "W". I have in my hand a copy of my reply to Exhibit "R" dated 20/9/49 (Tendered not objected to admitted and marked "X"). I produce a certified copy of an extract of the articles of Association of the Company (Not objected to marked "Y"). I received no notice of General or Directors' meeting since the receipt of Exhibit "A". I am relying on my claim 40

on my statement of Account submitted to my Solicitor Sarkodee Adoo. I have always been allowed interest on my credit balance with the Company and also because I have been deprived with the use of the money since my association with the Company was terminated by the letter of 8/2/50. This is the Company's Ledger. (Produced from Defendants' custody). I tender Folios 75 and 76. No objection marked "Z1" and "Z2". Folio 75 shows an account headed George Stanley Lewis, "Suspense Account" in bracket. On 31/3/49 is an entry on the credit side in sum of £3,571.14.8d. There is no further entry until 31/3/51. This amount stands to my credit up to 30/3/51. There is an entry on the debit side against my account on 31/3/51. My credit balance was brought down on 1/4/51 to £1,670.19.3d. The deductions of £1,579.8.10d. and £321.9.7d. in respect of sales made by the Auctioneer Vanderpuye, were made out of my credit balance on 31/3/51.

Folio 76 shows an Account headed George Stanley Lewis. On 1/4/49 a balance is shown on the credit side in my favour amounting to £645.11/-. On the same folio there is an entry on the credit side on 31/3/51 showing £700.9.4d. in my favour being amount realised from Auction of goods valued £1,900.15.5d. I produce folio 84 in respect of allocation of profits (Tendered, no objection marked "Z3"). The account is headed profit and loss Account. There are two entries in respect of shares and profits. On 31/3/49 an entry showing item of expenses of the Company for the year reads 1/3 of £10,715.4.1d. to Mr. Lewis Suspense. An amount shown is £3,571.14.8d. The next entry on the same debit side shows an expense of the Company for the year ending 31/3/49 1/3 of £10,715.4.1d. to Mr. Francois, Suspense £3,571.14.8d. This is a letter I received from the Income Tax Department dated 11/6/49 (Tendered, no objection, marked "AA") which is in respect of assessment for the year 1948-49 on information available to the Income Tax Department. I made no returns. The information could only have been obtained from the accounts of Defendant Company or from the Annual Returns of the Defendant Company stating emoluments of their various employees. I tender a letter of 8/4/49. No objection marked "BB".

Cross-examined by Lokko for Defendants:

The items I mentioned in folio 76 are not the only two items on that folio. I read the items

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

12th March, 1952.

Examination - continued.

"Z3".

"AA"

"BB"

Cross-Examination.

In the Supreme
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Plaintiff's
Evidence.

No.11.

George Stanley
Lewis.

12th March,
1952

Cross-
Examination
- continued.

with which I was concerned. There is no other account in respect of anyone apart from "George Stanley Lewis". I see on the debit side on folio 76 balance of £628.17.2d. on 31/3/49. Drawn Ex-Col. Bank - £465. Cartage £7.7/- and by balance £645.11/-. The total on each side of the book is £1,147.17.2d. The next entry dated 1/4/49 - 8/2/50 to amount Ex-Bank £376.5/-; To Cash withdrawn £35; to X'borg premises for three months £24.18/-. To Balance £960.18.10d. The book is ruled off and shows a total £1,387.1.10d. This closes the debit side. The credit side shows on 31/3/47 brought forward Folio 10 £323.10.5d. The next entry is To remittance £150 to U.K. on 31/3/48 by interest on deposit £14. By salary twelve months £400. The book is ruled off and shows a total of £887.10.5d. The next entry on 1/4/48. By balance £628.17.2d; 1-31/3/49 By salary (provisional) £500; 31.3.49 - Interest on deposit £19. The book is ruled off. The total is £1,147.17.2d. 1/4/49 By balance £645.11/-. 1/4/49 - 8/2/50 Salary at £700 per annum; termination 8/2/50 and payment in lieu of notice £700; Three months rent X'borg house £24.18/-; 3% on deposit £645 to 8/2/50 of the amount £16.12.10d. The book is ruled off showing a total of £138.1.10d. The next entry on 1/4/50 on the credit side - To Balance £960.18.10d. On 31/3/51 - Amount realised auction £1,900.15.5d. is £700.9.5d. I see Exhibit "J1". It has been in my custody for sometime. It contains part of my account up to 9/2/50. The covering letter is dated 23/2/50 addressed to my Solicitor. I did not query Exhibit "J1" because it was not necessary as I had already mentioned it in previous correspondence. I demanded the Defendant Company on 17/2/50 as shown by Exhibit "C". I did not know the exact amount due to me by the Company on 17/2/50. I have not agreed accounts with the Defendants at any time. "Agreed Accounts" mean the two parties agree as to the state of account between them. I accepted the balance shown as due to me by the Company at 31/3/49 as by "J1". The rest of the items of "J1" after 31/3/49 have no bearing on the claim before the Court as it stands. I have not sued for remuneration for the period from 1/4/49 - 31/3/50. I don't know the exact amount due me in salary for the period up to 31/3/50. I did not have a fixed salary. The Defendant Company have credited me with £700 for salary for 12 months in Exhibit "J1". I did not query that figure because the Company had sent a draft previously

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10 suggesting that amount to which I replied. I did not agree to the salary suggested. This is a letter dated 7/11/49 addressed to the Secretary of the Company from me with the agreement I have just referred to attached. (Tendered, no objection, marked "1"). This claim before the Court is not based on a contract. I based my claim on an Account stated. The Account stated are Exhibits "J1" and "J3" attached to Exhibit "J". I accepted the accounts in Exhibits "J1" and "J3" up to 31/3/49. My Solicitor wrote a reply by Exhibit "D". He did not deal with the question of acceptance or denial. There has never been any Agreement or Contract drawn up between myself and the Company from the time I began my employment. There is no written contract in one document which expires on 31/3/50. Exhibit "S" contains the terms or offer from the Company. I refer to items 4 and 5 in Exhibit "S". Exhibit "S" contains the offer of $33\frac{1}{3}\%$ of the net profits as shown at the close of each financial year. I did not reply to Exhibit "S" up to 28/3/49. I received Exhibit "T". The offer of 15/10/49 in Exhibit "S" was withdrawn by Exhibit "T".

By Court:- Adjourned at this stage:- 13/3/52.

(Sgd.) C.S. Acolatse
Ag.J.

13th March, 1952.

Plaintiff still on oath.

Cross-examination Continued:

30 I have here Exhibit "R". This is my reply to Exhibit "R". It is a copy of the original from my custody. (Tendered, no objection, marked "2"). It is dated 30/4/48. I arrived at $33\frac{1}{3}\%$ share of the profits from a series of events which followed Exhibit "2". Subsequent to Exhibit "2" I received the offer of the Company dated 15/10/48 - Exhibit "S" - in which the $33\frac{1}{3}\%$ was offered as my emoluments and then on 28/3/49 I received the purported letter of withdrawal by Exhibit "T". I refused to accept the withdrawal of the offer in my letters dated 5/4/49, Exhibit "U" and 8/4/49 - Exhibit "BB". Exhibit "V" was a reply to my refusal dated 9/4/49. There is no single letter from me which contains my acceptance of the offer of the $33\frac{1}{3}\%$ of the net profits. Exhibit "BB" is an acceptance of the offer after the purported withdrawal. Later I received Exhibits "K" and "J". The Directors' meeting

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

12th March, 1952.

Cross-Examination
- continued.

13th March, 1952.

"2"

In the Supreme
Court of the
Gold Coast.

Plaintiff's
Evidence.

No.11.

George Stanley
Lewis.

13th March,
1952.

Cross-
Examination
- continued.

was to discuss my emoluments. I did not attend that meeting. I was told by some of the Directors later on after the meeting in general conversation that the 33 1/3 share had been agreed upon. I did not receive any letter from the Company in confirmation of this report. I was merely told in conversation. The next stage was I received a memorandum - Exhibit "N" - dated 9/9/49 which confirmed my 33 1/3 share of profits has been fixed. I gave a reply to Exhibit "N" by Exhibit "X" dated 20/9/49. Exhibit "M" dated 11/10/49 is a notice of a meeting to be held on 30/10/49. The Managing Director reaffirmed that I could have my 33 1/3 share of my profits and said that I would have the amount in goods at any time I required it. I attended the meeting. Then came my dismissal on 8/2/50 by Exhibit "A". I received Exhibit "B" which again admitted my 1/3 share of my profits. Exhibit "J" also admitted my 1/3 share of profits and how they would settle. The offer was not originally to be paid in goods. The first written offer to pay my share in goods was on 10/2/50 which was repeated in Exhibit "B". Exhibit "B" dated 25/2/50 shows I required payment in money. The offer for payment in goods was subsequent to my dismissal and before this action. There was a dispute between the Managing Director and myself about payment of the 1/3 share to me in goods and I insisted on payment in cash. The Managing Director was in charge of the Company from May 1948. I was responsible to the Managing Director. I was responsible for indenting goods up to the end of January 1949 when I fell ill. I was in charge of the Company when the Managing Director took ill in May 1949 after my illness. The Managing Director resumed indenting from the end of October 1949. The Managing Director was in charge of the Company when I indented the goods. I was responsible for importing the goods including the goods in question. I refused to take the 1/3 share in goods because that was not the understanding. Exhibit "N" with the balance sheet attached had been in my possession all the time. I was claiming the value of the goods in cash in sum of £3,571.14.8d. The cash balance on Exhibit "N" is £2,388.2.3d. Cash is not the only asset of the Company. The outstanding debit of the Company on 31/3/49 is £9,772.0.11d. The Company was holding deposits against goods in the amount of £486.5.5d. The Company was owing Hoods Ltd., £2,621.9.7d. The total debit is £12,879.15.11d. against the Company as on 31/3/49. All assets and liabilities of

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the Company are fluid that is, they change from day to day. Exhibit "U" was prepared about a year before I called for payment in cash. My claim is up to 1/4/49. I cannot say if the Company's liability has been reduced as I had nothing to do with Accounts in the Company. I indented the goods. I was in charge of the sales for a period from July 1946 - March 1947. I took over after leave from end of September 1947 to January 1949 when I took ill and again in May 1949 up to my dismissal in 1950. I was indenting during the period I was on leave overseas. It is quite untrue that I refused to take the goods in payment because I knew they were not readily saleable. I indented enamel basins. Some were chipped on landing. They were saleable but at reduced price in value. I cannot say if I indented the goods I see on the list before me but I did indent goods of similar nature. I have no recollection of my being informed that my 1/3 share goods were going to be sent to an auctioneer. I knew nothing about the goods were being sent to an auctioneer. This list of goods was attached to Exhibit "P". It is impossible for me to say that the whole list was indented by me but I admit indenting some on the list. I took stock just before 31/3/49. I cannot recollect if I described any of the enamel wares as chipped in my stock list. I cannot recollect at this date if I described any damaged goods in the stock list. No goods were sent to an auctioneer for sale prior to my dismissal. It is not the usual practice. (List received schedules A and B with Exhibit "P" admitted by Plaintiff. Tendered by Defendant, no objection, marked "3"). It is not the usual practice to open all cases and check the contents during stocktaking as it would entail a longer period of taking stock. The wholesale-keeper or the store-keeper would be responsible if one of the cases was found to be empty on subsequent inspection. I was a Director on 1/5/49 when the Directors' meeting was held. I did not attend the meeting. I did not bring up the matter referred in Exhibit "V" for discussion at the Directors' meeting on 1/5/49. I received a summons for that meeting. The summons is Exhibit "L". I did not attend because I felt my presence might embarrass the Directors, who were on friendly terms with me, in discussing the matter of emolument. I did not address anything to the Directors at that meeting on my matter of emolument. I did not apply for a

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Plaintiff's
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No.11.

George Stanley
Lewis.

13th March,
1952.

Cross-
Examination
- continued.

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Plaintiff's
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No.11.

George Stanley
Lewis.

13th March,
1952.

Cross-
Examination
- continued.

copy of the result of that meeting about my remuneration. I attended the extraordinary general meeting on the same day. The question of my 33 1/3% was not discussed at the general meeting of 1/5/49. I did not bring it up at the general meeting because it was on the agenda of the Directors' meeting. The sharing of profits or declaration of dividends was not discussed at the general meeting. The question of my remuneration was not discussed at any Board of Directors' meeting prior to 1/5/49. The question of the share of profits was not a matter solely between the Managing Director and myself but the matter was referred to the Board of Directors. There was no minutes of the result touching upon the question of my 1/3 share. I did not receive anything in writing from the Company if the matter was settled at the Directors' meeting. The Memorandum of 9/9/49 stated clearly that my 1/3 share had been fixed in addition I saw the assessment of my Income Tax. The memorandum was circulated among the Directors. Exhibits "N" and "X" refer to the memorandum. Exhibit "N" was signed by George Francois. Exhibit "X" was signed by me. I wrote it in reply to Exhibit "N" and circulated it among the Directors. Exhibit "N" was written by George Francois and circulated among the Directors. It was not a personal correspondence but it was a matter being taken up by George Francois in the Company interest. I did not make or sign Exhibit "X" in the interest of the Company. It was personal. Exhibit "N" was not personal because of the subject matter of the memorandum and the fact that Exhibit "N" was circulated in preparation for the General Meeting and further it was dealt with at the General Meeting. Exhibit "N" was to be the basis of consideration at the General Meeting. There is no dispute in my memorandum about the 1/3 share mentioned in Exhibit "N". My memorandum Exhibit "X" was not a matter for adoption or rejection. It was to clarify the criticisms made of me in Exhibit "N". My memorandum contains criticisms of Exhibit "N". Exhibit "N" was to give preview of what was to be discussed at the General Meeting by the shareholders.

By Court:- Adjourned for hearing: 14/3/52.

(Sgd.) C.S. Acolatse
Ag. J.

14th March, 1952.

Cross-examined by Lokko Continued

Plaintiff still on oath:

I see here wholesale stocktaking book of Defendant Company. I see my handwriting in parts of page 8. It shows a list of stock written by me for stocktaking on 1/4/49. It bears a list of stock written by me on pp.9-12. Book tendered. Objection by Counsel to tender of the whole book. Specific pages not objected to.

Lokko:-

Book contains entries made by Plaintiff during the course of his employment relating to matters in issue.

Order:

Objection overruled. Accepted and marked "4".

I took stock of goods on page 8 of Exhibit "4". There is a valuation in the book not made by me. The total amount of the stocktaking on page 12 is £15,511.1.0³d. There is an entry in red not in my hand reducing it by £200. It looks like the handwriting of the Managing Director. I don't know if the amount represents the cost price. I could not at this distant remember if the goods were sound. This was three years ago. My salary on 1/4/49 on date of stocktaking was 1/3 of the net profits. The net profits would be the sales made after deducting expenses and costs of goods not including emoluments of myself and the Managing Director. I have no salary apart from the 1/3 share of the net profits. My emoluments are the 1/3 share of the net profits. My emoluments included rent. I lived on the Company premises rent free. The Company paid my rent for three months at £8 a month after I left the Company premises in December 1949. Net profits are the balance of profit and loss account. My 1/3 share of profits was to be a 1/3 of that balance. Stock in trade at the beginning of the year and stock in trade at end of the years have to be taken into account into computing the net profits. We did not depreciate the value of our stock at end of the year. I am not on the accounting side and so I cannot tell if the Company depreciated value of deteriorated goods. I increased or reduced the selling price of goods according to the state of the local market

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

14th March, 1952.

Cross-Examination - continued.

"4"

In the Supreme
Court of the
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Plaintiff's
Evidence.

No.11.

George Stanley
Lewis.

14th March,
1952.

Cross-
Examination
- continued.

at the time when I acted in place of the Managing Director. It would reflect on the balance of the net profits. It would reduce the value of the stock at stocktaking and would have shown a lower net profit. It would reflect in my 1/3 share. I don't know if the damaged goods are entered at their reduced value in Exhibit "4". I cannot tell by Exhibit "4" if they are so reduced. There is a column for cost price and selling price marked C.P. and S.P. in Exhibit "4". There is no column to show that the goods have been reduced in value. Such loss as there might be in the damaged goods would reflect in the next year's profits. Damaged goods have been sold above cost price. I can recollect having sold damaged goods over cost price. I recorded the goods I found damaged in Exhibit "4". The Exhibit "4" is a wholesale stock usually packed in cases. There would be very little loose enamel wares in the wholesale. I find no record of chipped enamel wares in Exhibit "4". Any chipped wares would be transferred to the retail store for sale. From the record - Exhibit "4" - there were no chipped wares in the wholesale except perhaps those in cases not sorted. It was not my duty to open the cases to see if the contents were sound. The invoices supplied by the Managing Director showed the contents of the cases. The total value of enamel wares is not shown in Exhibit "4". The total cost price of the enamel wares on p. 11 of Exhibit "4" is £3,991.10.3d. This amount formed part of £15,511.1.3d. I have no recollection of saying yesterday that the enamel wares arrived chipped and bent. It is not my duty to examine all the cases. The wholesale at time of stocktaking, was not under my charge. It was under the Managing Director. I took the stock but I did not check the contents of the cases but the invoices showed the contents. It is entirely incorrect to say that I was prejudiced during stocktaking by the knowledge of the fact that I was to get 1/3 share of the net profit for any errors in any stocktaking at 1/4/49 would reduce the net profits for the following year to 1/3 of which I was entitled since I was on two years' tour according to terms of the Managing Director's letter of 15/10/48, Exhibit "S" at paragraph 2 under which I was employed. My employment with the Company began in about 1936. There were no two years' service agreement and as I was dissatisfied with the terms of my employment, I asked for better terms in 1948 and they gave me

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the terms in Exhibit "S". I accepted the terms after the matter had been referred to the Directors. I do not mean written acceptance. I was satisfied with the Managing Director's admission in his memo. of 9/9/49 that my 1/3 share of profits had been fixed and with the fact that the shareholders who were indeed Directors accepted this admission and in no way queried this admission during the course of the meeting. I see page 8 of Exhibit "4" item Pot Iodide. I believed I ordered item 4 Pot Iodide. The total of Pot Iodide is £418.0.3³d. I imported them. They were in stock at time of stocktaking on 1/4/49 unsold. They were not unsaleable and so I made no record. I would be surprised to know that they were still unsold when they were handed to the Auctioneer in 1951 for sale.

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

14th March, 1952.

Cross-Examination
- continued.

By Court:- Adjourned at this stage:- 18/3/52.

(Sgd.) C.S. Acolatse
Ag. J.

18th March, 1952.

Cross-examined by Lokko Continued

Plaintiff still on oath:

Pot Iodide is saleable. I don't know if they had been in stock for more than two months at the date I took the stock. The accounts of the Company should at all times be accurate. I was not asked to fill in the value for any goods. That was done by the accounting branch. I did not know there were any goods which were not readily saleable and in any case it was not the duty of the person who took stock. I was not responsible for the wholesale at time of stocktaking and two months previously. The Managing Director was in charge at that period. It was the right of the Managing Director to depute anyone to take stock or do it himself. I agree that more service was required of me as Director and Assistant to Managing Director than the rest of the staff. I do not admit there was dereliction of duty on my part for not making a note in the stocktaking book that the Pot Iodide was unsaleable. I was not at that time engaged on sales. I have here invoices for Pot Iodide and Iodoform Crystals. I see the date of bank payment in respect of bill covering Pot Iodide and Iodoform was on 20/1/49 and must have reached the store within a week or ten days later. Each invoice

18th March, 1952.

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

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George Stanley Lewis.

18th March, 1952.

Cross-Examination - continued.

shows six cases. I don't know if the date of the arrival of "Northleigh" was 25/11/48. It is the duty of a prudent man to see if the goods were selling or not. I fell ill just about the time the goods arrived in the store and was away on sick leave for a month and on my return did not take charge of goods or sales until May 1949. I did not see if the goods were selling or not as I was not engaged on sales at the time. I must have seen whether the goods were selling or not when I resumed duty in May 1949. I cannot remember now whether I found that the goods were selling or not when I took charge in May 1949. I made a survey of all goods in stock at the time when I took charge of sales. I cannot recollect if Pot Iodide had been sold. It is untrue that I was not concerned if the goods were sold or not. I see on page 9 of the stock book - "Exhibit 4" - Stores - "Blue boy nine only". "Buflam 224 only". "Cooking Ranges are 22 of various sizes total value approximately £290". There is no record on Exhibit "4" page 9 to show how many cooking ranges were broken when I took stock. Cooking ranges are always saleable on reduction in proportion to the damage. They were packed singly as far as I can remember. They were made of cast iron and susceptible to breakage. I had the cases opened and the stoves examined on arrival to see if there was any damage either from sea water or breakage for purpose of Insurance Claim. I cannot recollect if any ranges were broken. If any were broken they were claimed for. I don't know if ten cooking ranges were broken. I cannot recollect if there were any claims from the Insurance Company for cooking ranges. I did not make any report to the Directing Manager about broken cooking ranges. I cannot say if the wholesale-keeper made any report about the cooking ranges. I did not notice any damaged cooking ranges at stock-taking. The goods are debited to stock on arrival before examination. I did not keep the stock book. I would know on examination if the cooking ranges were damaged and how many. There would be an entry of the result of the examination. I have no way of knowing if the cooking ranges were still unsold or not. I see 52 dozen of mirrors in assorted sizes on page 9 of Exhibit 4 total value approximately £70 cost price. I ordered them. There is no note on record to show if they were saleable. The figure quoted is a much larger quantity than what was received. I cannot

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In the Supreme
Court of the
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Plaintiff's
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No. 11.

George Stanley
Lewis.

18th March,
1952.

Cross-
Examination
- continued.

"5"

10 give any idea of the quantity received. The quantity imported is not mentioned on the record, Exhibit "4". I see 650 tins of Fancy biscuits at £1 each on page 10 of the Exhibit "4" total value £106.19.7d. I ordered them. There is no note that they were unsaleable. There is no note on the record to show some of them were going bad on examination. I did not see bloated tins of biscuits. I cannot remember when the biscuits were imported. I see H503 B - 46 dozens - P31J-426 dozens. 135P.346 11/12 dozens the same in total value of £1,880 approximately. It may be that your figure £1,937.0.5¹/₂d. is correct. It is immaterial. I imported them with the knowledge of the Managing Director. I sold a lot of singlets. I sold some after stocktaking. I cannot tell the price at which I sold them. It would not appear on Exhibit "4". I cannot recollect if there were any shortages when the singlets arrived. This is a note from me to the Managing Director dated 9/10/48 dealing with singlets. Tendered by Defendants. No objection. Marked "5". Opening and checking of cases was not my duty at stocktaking. There was no duty on anyone to open and check the cases at stocktaking as the quantity could be seen from the invoices. Cases containing enamel wares were never opened and examined when they arrived. Damaged or chipped wares would only be detected if the cases were opened at time of sale to buyers.

20 They were generally sold to the customers at their risk in queue without opening the cases. I was not in charge of sales on 1/4/49 when I took stock. The Managing Director was in charge. I was writing my accounts. I cannot recall if the queues were there for enamel wares when I returned from my illness to duty. I cannot tell if customers did buy enamel wares by examining the contents before buying at 31/3/49 as I was not in charge of the sales. My office was on the premises of the Company in the store when the Managing Director arrived in Accra in May 1948. I moved my office to a kiosk later shortly after Exhibit "5" on 9/10/48. I had a full view of the premises from my office if I got up. I could see if anybody came to the yard. The customers do not as a rule buy enamel wares without examining the cases when I resumed sales in May 1949. It was not easy to sell without examining the case of enamel wares. The queues had disappeared for enamel wares in cases

30 intact but they were there for sorted enamel wares. I cannot say if all the enamel wares left over from stocktaking were disposed of when I took over in

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In the Supreme
Court of the
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Plaintiff's
Evidence.

No.11.

George Stanley
Lewis.

18th March,
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Cross-
Examination
- continued.

May 1949. They would have to be sorted for sale if any were left over. The sorted enamel wares were sound ones and were sold at a profit. There were some chipped enamel wares. I cannot say without figures if the damaged ones were sold at profit or loss. It is not correct that the value of the goods was enhanced by failure to describe the damaged goods. I reported what damaged goods I found. I did not make ground stock appear larger than it actually was and so I could have made a present to the Income Tax people. I disapproved the devaluation of the ground stock as suggested by the Managing Director. The damaged goods were so recorded in the stocktaking book at that figure. There were no unsaleable goods recorded. There were no unsaleable goods. It was not the arrangement for me to take Pot Iodide as my emolument. It did not form part of my emolument. I did not want 1/3 share in cash for goods and I do not agree that at 31/3/49 the goods were not worth the value. The stock value of £15,511 should not contain goods shop soiled which would be in Retail Store but it would contain chipped and damaged goods in cases. The chipped and damaged goods would not reflect on the stock value of £15,511 for 1948-49 accounts. Chipped and dented goods would not realise loss until sold. All goods I understand were taken at cost price whether damaged or not from what I gathered from the Memo - Exhibit "N". The values of the goods were not supplied by me. Only the quantity. I supplied the quantity of goods in stock. I did not enter the cost or selling price in Exhibit "4". I assessed some of the value of goods from the invoices. Cost price is not based on quantity. The total value of the goods was reckoned at cost price on the quantity entered by me at stocktaking. The quantities contain certain amount of damaged goods as may be seen from Exhibit "4" and which were contained in cases unopened.

By Court:- Adjourned at this stage 20/3/52.

(Sgd.) C.S.Acolatse
Ag.J.

20th March,
1952.

20th March, 1952.

By Court:- Same Counsel. Part heard.

Lokko for Defendants states he feels indisposed and asks for an adjournment.

By Consent:- Adjourned 21/3/52.

(Sgd.) C.S.Acolatse
Ag.J.

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21st March, 1952.

Cross-examined by Lokko

G. Stanley Lewis - Plaintiff still on oath:

I did not threaten to report to the Income Tax if devaluations were made. I did not communicate with Income Tax Commissioner at any time about the ground stock. Both cash and goods are fluid assets. I mean by that is that the cash balance of the business changes from day to day and the amount of goods in stock also fluctuate from day to day. I did not expect a loss for the financial year 1949-50. The damaged and enamel wares in unopened cases on 31/3/49 should reflect on the return for the following year. On whatever damaged enamel wares were sold at a discount before I left the Defendant Company the difference in price would have affected the reduced profit for 1949-50. I left the Company on 8/2/50. I cannot tell without the books of the Company to what extent the damaged goods would have affected the profits. I have a claim for 1949-50. I choose to claim for what has been admitted by the Defendant Company to 31/3/49. My claim before the Court includes arrears of salary for some years back. The Defendant Company admitted my arrears of salary to 31/3/49 in sum of £645. The Defendant Company stated that they owe me £960 as arrears of salary up to 31/3/50 before I took out this action.

Do you intend to claim 1/3 share profit for 1949-50?

By Court:- Objected to by Enchill as irrelevant.

Objection overruled.

Answer:- I have not arrived on decision on the matter if to claim 1/3 share profit for 1949-50.

I would have shared any loss with the Company if there were a loss. I am claiming 1/3 share of profits for 1948-9. The Company did admit 1/3 share of profits to me in all the correspondence between us as well as Exhibit "N" and their statement of defence. I have no means of knowing if the Company made a loss for 1949-50. I will definitely say the Company was not running at a loss from early May 1949 to 7/2/50 when I was in charge of sales. This letter dated 25/8/49 was written by me on behalf of Defendant Company to Barclays Bank. (Tendered by Defendant. No objection. Marked "6"). The Company had no money in the Bank by Exhibit "6" to meet those drafts of £4,000 and £2,000 each. I

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

21st March, 1952.

Cross-Examination - continued.

"6"

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Court of the
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Plaintiff's
Evidence.

No.11.

George Stanley
Lewis.

21st March,
1952.

Cross-
Examination
- continued.

Re-Examination.
"CC"

hold correspondence from the Company as my authority for claiming 1/3 share of the net profit also assessment from the Income Tax Department and the Company Ledger, Z1-Z3. Exhibit "Z3" stands in my name as "Suspense Account" I understand my "Suspense Account" to mean because of the Defendants' attempt to reduce the amount. There can be no one meaning to "Suspense Account" as it is used in a very wide sense. I do not agree that "Suspense Account" is one which remains until the happening of a certain event. I don't understand what you mean by the word "finalise" when you say Suspense Account is one which has not been finalised.

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Re-examined by Enchill:

Stock was taken in January 1949 by the Managing Director. This is a letter to me from the Managing Director dated 20/1/49 (Tendered, no objection, marked Exhibit "CC"). I fell ill on 28/1/49. I took stock on 1/4/49. I supplied the Managing Director with copies of all indents. The Managing Director also indented goods. He knew all goods ordered by me and could cancel the order if he did not approve. The Managing Director did not inform me of any damaged enamel wares which he had found in the cases. Exhibit "N" is the memorandum prepared by the Managing Director in his capacity as a Director. It is a personal document. It is not a Company document. It was written in his personal capacity merely as a Director but not on behalf of the Company. I understood the context to mean that a decision had been made at the meeting on 1/5/49 to give me 1/3 share of 1/3 net profits. I was not present at the meeting. During the period from October 1948 - January 1949 we were making a profit of 33 1/3 and 50% on wholesale sales. I expressed my disapproval about the suggested devaluation of the ground stock in Exhibit "X". I disapproved because it was an attempt to bring into the accounts an anticipated loss and not an actual loss and also because it was after several months of stocktaking when it was impossible to know what the market value was at 31/3/49 of goods which may not have been selling fast on that date and also because the Managing Director who entered the value of the goods at stocktaking was himself in charge of the stock for two months prior to 31/3/49 and knew the condition of the goods Exhibit "J" states accounts have been submitted to Income Tax authorities. I assessed the cost price

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from the invoices. I did not enter the cost price in Exhibit "4". I assessed the cost price of some of the goods from the invoices. I mean calculated instead of the words assess.

By Court:- Case for Plaintiff closed.

Adjourned at this stage:- 31/3/52 for mention.

(Sgd.) C.S. Acolatse
ACTING JUDGE.

In the Supreme Court of the Gold Coast.

Plaintiff's Evidence.

No.11.

George Stanley Lewis.

21st March 1952.

Re-Examination - continued.

DEFENDANTS' EVIDENCE

No. 12.

EVIDENCE OF GEORGE FRANCOIS

11th September, 1952.

Enchill for Plaintiff

Lokko for Defendants

Court:- Case part heard.

Defendant:

GEORGE FRANCOIS:- S.O.B. in English.

Merchant living at Accra. I am the Managing Director of the Defendant Company. The Plaintiff was employed by the Company about 1936 up to 30/3/50. I was stationed at Tafo during the major part of Plaintiff's employment and the Plaintiff was stationed at Suhum. This was the period we were engaged on produce and merchandise. Eventually we gave up produce work about 1948 and the Company moved to Accra. The Plaintiff opened up the business for the Company at Accra before I joined him in Accra. The Company still carried on produce business at up country. The Plaintiff was employed on a salary between £400 to £500 per annum with free rental up to the time we transferred the activities of the Company to Accra. The Plaintiff was transferred to Accra on the same terms as up Country. In September 1948 the Plaintiff brought up the question of the inadequacy of his

Defendants' Evidence.

No.12.

George Francois.

11th September, 1952.

Examination.

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In the Supreme Court of the Gold Coast.

Defendants' Evidence.

No. 12.

George Francois.
11th September, 1952.

Examination
- continued.

salary. He told me he required for himself 33 1/3% of the gross profits of the Company or in the alternative 50% of the net profits. This was verbal. In consequence I wrote to the Plaintiff dated 30/9/48. It is Exhibit "R". The Plaintiff sent a reply to Exhibit "R". This is the letter dated 30/9/48. It is Exhibit "2". The relationship between the Plaintiff and myself at this period was very bad. I made an offer to Plaintiff after receiving Exhibit "2" sometime in October 1948. It is Exhibit "S" dated 15/10/48. There was no reply to this offer. Our relationship deteriorated and on or about 28/3/49 I withdrew the offer contained in Exhibit "S". It is Exhibit "T" dated 28/3/49. I received a letter from the Plaintiff on 5/4/49. It is Exhibit "U". The Plaintiff wrote again on 8/4/49 before I could reply. It is Exhibit "BB". I replied the Plaintiff on 9/4/49 in Exhibit "V". The Plaintiff was still in the services of the Company during all these correspondences on the same terms as he was entitled to when stationed at Suhum. The suggestion of sharing of profits first came from the Plaintiff. The Board of Directors were Howard Christian, Plaintiff and myself. I asked the Secretary of the Company to invite friends of both parties to join the Board to settle the controversy about terms between Plaintiff and myself as my offer of 15/10/48 in Exhibit "S" had been withdrawn. The friends who were suggested to join the Board to settle the matter were Mr. Abben-setts, B.L., Dr. Auguste of Koforidua, Dr. Hoyte of Nsawam, Mr. C.C. Lokko, B.L., the Secretary to the Board was Mr. Lokko. All the persons suggested were agreeable to join the Board subject to election. A shareholders' meeting was convened for the election. The Plaintiff was present at this meeting. The friends suggested to join the Board were duly elected at this meeting. This is the Minute Book of the Company. The meeting of the Shareholders at which the election was made on 1/5/49. This book is from my custody. (Tendered. No objection. Marked Exhibit "7") The Board of Directors with the newly elected members then met on the same day 1/5/49. Minutes were taken at the Board of Directors' meeting in the Minutes Book. Tendered. Objected to by Counsel for Plaintiff on ground of an erasure in the Minutes.

Question by Counsel: There appears to be an erasure on a blank paper not on any written matter.

"7"
By Court: Objection overruled.
Accepted and marked Exhibit "8"
Court: Adjourned at this stage:- 12/9/52.
(Sgd.) C.S. Acolatse,
J.

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12th September, 1952.

Court:- Same Counsel
Part heard.

GEORGE FRANCOIS:- Still on Oath.

10 These are Exhibits "K" and "L" dated 15/4/49. Exhibit "K" is extraordinary members meeting of the members of the Company. Exhibit "L" is for Board of Directors meeting. These Exhibits are summonses for the meeting held on 1/5/49 in Exhibit "8". I prepared a balance sheet as directed by the Board. I circulated the balance sheet. I made a memorandum attached to the balance sheet. It is Exhibit "N". The Plaintiff also submitted a Memorandum in answer to mine. It is Exhibit "X". As a result another Extraordinary meeting was held and also a Board meeting held on same date 31/10/49. I produce the minutes recorded in the Minute Book. No objection. Marked Exhibit "9". I produce also 20 the Minutes of the Board on 31/10/49 in the Minute Book. (Tendered. Objected to by Counsel for Plaintiff on ground his client has no knowledge of such meeting).

Court:- Accepted for what it is worth at this stage.

30 Marked Exhibit "10" as I consider the objection not substantial. I understood the Board to agree on 1/5/49 that they would be prepared to pay Mr. Lewis 1/3 of the net profits and after that I prepared the balance sheet. It is on p.31 of the Minute Book in Exhibit "8". The balance sheet was prepared showing Plaintiff receiving 1/3 of the net profits placed in Suspense Account from 1/4/48 to 31/3/49 - pending final decision of the Board and the Shareholders. When I read the Minutes of the Board of Directors where they stated they were not competent to make the award because they, the Board, were not in existence at the time, that financial year - 1948-9 - I was in a personal dilemma because in the meantime the Balance Sheet had gone to the Income Tax Authorities and there was no 40 final authority for the £3,571.14.8d. as showing in favour of Plaintiff and myself. The Suspense Account is in Exhibit "J3" and in that account the amount of £3,571.14.8d. appears.

Court:- Adjourned at this stage:- 16/9/52.

(Sgd.) C.S.Acolatse,
J.

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Court of the
Gold Coast.

Defendants'
Evidence.

No.12.

George Francois.
12th September,
1952.

Examination
- continued.

"9"

In the Supreme
Court of the
Gold Coast.

16th September, 1952.

Court:- Same Counsel
Part heard.

Defendants'
Evidence.

GEORGE FRANCOIS:- Still on Oath.

No.12.

George Francois.
16th September,
1952.

Examination
- continued.

I see page 5 of Exhibit "X" made by Plaintiff in which Plaintiff states that he would require a General Meeting of the Shareholders and the Board of Directors' meeting be summoned immediately the one to make any amendments necessary to the Articles of Association in order to discuss Mr. Francois' Memo under Review together with reply and make recommendations. In pursuance of this request the Secretary summoned a meeting of the Shareholders and Board of Directors. The meeting was held on 31/10/49. Exhibits "9" and "10" are the minutes of those two meetings. The Articles of Association were amended on 31/10/49 in Exhibit "9". The additional Directors were elected after the amendment under Clause 5 of the Articles of Association. The Plaintiff was present at the meeting. The Directors met on the same day 31/10/49. The Plaintiff was present. The Directors considered our memoranda as contained in Exhibits "N" and "X" respectively. The proceedings of that meeting were recorded in Exhibit "10" at page 42-43. Mr. Lewis withdrew from the meeting after the motions were passed and seconded. The Plaintiff remained in the Company till 31/3/50. He drew salary from 1948-1950. In pursuance of the suggestion made by the Directors in Exhibit "10". I renewed the offer to Plaintiff. I now say I did not make an offer to him on advice of the Board but I tried to compromise with Plaintiff after he had left the service. I received a letter from Plaintiff Exhibit "C" dated 17/2/50 before he left the Company. I sent Exhibit "J" in reply dated 23/2/50. The amount of £960.18.10. was credited to Plaintiff's account as balance of salary up to 31/3/50. It is in "J1". Exhibit "J3" shows Suspense Account in sum of £3,571.14.8d. which represented the value of 1/3 of the stock on hand. I received Exhibit "D" from Plaintiff in reply to Exhibit "J" on 25/2/50. I prepared a list in consequence of the correspondence - between of goods in stock at 31/3/49. The larger portion of the Ground Stock was made by Plaintiff at Stocktaking. The Stock Plaintiff took was valued £15,311.1.1d. as shown in Exhibit "4" - the stocktaking book at p.12. The balance of the Ground Stock he did not take was

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valued £2,678.14.9d. at p.7. I sent a copy of both these balance to Plaintiff's Solicitor and showed him what percentage of each item of the Ground Stock was totalling Plaintiff's £3,571.14.8d. in Exhibit "P" dated 30/3/50. There was no cash in the Company. The £3,571.14.8d. was in goods. The Plaintiff had to take the goods to the value of £3,571.14.8d.

Court:- Adjourned to 17/9/52.

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(Sgd.) C.S. Acolatse,
J.

17th September, 1952.

Court:- Same Counsel.

GEORGE FRANCOIS:- Still on oath.

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The Plaintiff made no attempt to collect the goods. There was no reply to Exhibit "P". Prior to Exhibit "P" the Plaintiff took stock of the wholesale on 1/4/49 at my request. I discovered later on that the Plaintiff made a very perfunctory stocktaking. I discovered that goods were shown as so many cases without any remark as to condition. On examination of so many cases which were still unsold I found a good percentage of the goods chipped and damaged of much reduced value under cost price. The total value of the stock taken by the Plaintiff was £15,311.1.1d. including the damaged goods. I did not assess the value of the chipped and damaged goods. The value of the chipped and damaged goods would be affected and

30 the total amount would be much less than £15,311.1.1d. Exhibit "4" contains the stocktaking by Plaintiff. Among the items in the stocktaking were Pot Iodide at £418.6.3d., Stoves at £288.1.5d., Mirrors at £71.7.6d., Fancy biscuits at £196.19.7d., Singlets at £1,937.0.5d., Enamel wares £3,991.10.3d. The total value is £6,903.5.5d. There were chipped and damaged enamel wares included in the stock value. I cannot tell the Court the total value of the chipped and damaged goods. I did not assess

40 them. After the Plaintiff would not come for the goods as I asked I sent some goods to the auctioneer to the total value of £1,900.15.5d. The auctioneer sold the goods to the value of £700.9.4d. I gave the Plaintiff no agreement to pay him £3,571.14.8d. as his 1/3 share. The Plaintiff and I never sat together to go into the figures between

In the Supreme Court of the Gold Coast.

Defendants' Evidence.

No.12.

George Francois.

16th September, 1952.

Examination
- continued.

17th September, 1952.

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Evidence.

No.12.

George Francois.
17th September,
1952.

Examination
- continued.

Cross-
Examination.

us. We owe Plaintiff in salary £960.18.10d. more than he claimed on the writ. I did not at any time get the sanction of the Shareholders to the 33 1/3 per cent offered to the Plaintiff which offer was not accepted by the Plaintiff and I withdrew it.

Cross-examined by Enchill:

I do not agree that the Articles of Association the Directors have the power to make the award of 1/3 share of profits to anybody. This is a letter dated 27/4/49 signed by the Secretary of the Company addressed to the Plaintiff to which is attached a memorandum prepared by him. (Tendered by Defendant through witness. No objection, marked "CC") Exhibit "CC" deals with the withdrawal of my offer. I agree that I had the controlling power as Managing Director in the Company since 1937. I am the largest single creditor of the Company. I am the largest Shareholder in the Company about 90% roughly. The total joint account to my credit and Awuah, who is now Mrs. Francois on the Balance Sheet is £7,022.16.9d. no sundry creditors. I was drawing on 27/7/48 £600 a year in salary and the Plaintiff £400. Exhibit "Q" refers to it. There are four sundry creditors on Exhibit "N" who are members of the staff of employees. These do not include the Plaintiff and myself. Mr. Kissi on the balance sheet secured a store-keeper in the sum of £1,000. All the sundry creditors are connected with the firm. I admit the amount of £645.11/- appearing in Exhibit "N" as due to Plaintiff at 31/3/49 as stated on the Plaintiff's summons. We allow interest on deposits with the Company. It is custom to allow interest on deposits. There was some discussion with the Plaintiff about interests on deposits. I see a letter dated 6/10/48 to Plaintiff from me. (Tendered. No objection. Marked "DD"). I had never before the year 1948-49 been remunerated by the Company with 1/3 share of net profits. In Exhibit "S" I purport to be making an offer on behalf of the Company and withdrew the offer in the same capacity in Exhibit "T". Exhibit "V" is a letter from me to Plaintiff telling him that the offer in any case had to be approved by the Board and the Shareholders. Exhibit "V" did not mention Shareholders.

Court:- Adjournd to 18/9/52.

(Sgd.) C.S. Acolatse,
J.

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13th September, 1952.

Counsel as before.

GEORGE FRANCOIS: Defendant, still on oath.

Exhibit "N" is the only memorandum I remember at present of ever submitting to the Board and Shareholders. This Memo before me dated 19/7/37 was made by me to the Directors. I admit the two Memos signed by me and if you produce another I am prepared to admit it but I will not say I have been circulating Memo from time to time. The balance sheet of the Company is prepared every year. It is a duty to prepare the balance sheet and it is not necessary to obtain special directives from the Company in order to do so. Exhibit "N" together with the balance sheet was prepared and circulated on 9/9/49. The close of the financial year is 31st March and as a rule one should submit the balance sheet two or three months later but in this case it was circulated on 9/9/49 and to the Income Tax authorities on 6/10/49. It was overdue. The offer to the Plaintiff was withdrawn before the end of the financial year 31/3/49. I was prepared to allow the Plaintiff his share as prepared on the balance sheet. There is no record of the date of confirmation of Minutes in the Company's minute book. There is a record of a meeting held 5/10/50 between the meetings on May and October 49 Exhibits "8" and "9". This letter is dated 14/10/49 from the Secretary to Plaintiff. (Tendered by Plaintiff. No objection. Accepted and marked "EE"). I do not agree that the ink and writing of the words, "but reserved its final decision until it has studied the balance sheet", appear different. The only difference I see is a blacker ink at the bottom of the page 31 in Exhibit "8". I cannot see there has been erasures in the place where the words are written. I cannot see at the bottom of page 30 in Exhibit "8" any insufficient erased pencil marks. I do not see any erasures. I sent the balance sheet with the Memoranda to the Income Tax authorities because the balance sheet was overdue. It was not possible to get all the Directors immediately. I had read the Plaintiff's memo and there was no possible agreement between our two points of views and so I submitted the balance sheet with the two memos to the Income Tax authorities. It includes profit and loss account. The Income Tax Authorities assessed the Income Tax of the Company in accordance with the statement of account appearing on the Balance Sheet Exhibit "N". The Plaintiff's

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Defendants' Evidence.

No.12.

George Francois.

13th September, 1952.

Cross-Examination
- continued.

"EE"

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Defendants'
Evidence.

No.12.

George Francois.

18th September,
1952.

Cross-
Examination
- continued.

1/3 share and my 1/3 share do not appear on Exhibit "N" the balance sheet, but the balance sheet submitted to the Income Tax contains the 1/3 share of Plaintiff and my 1/3 share. There is a carbon copy of the balance sheet submitted to the Income Tax. The Income Tax authorities assessed the 1/3 share to Plaintiff and myself. The figures that I sent to the Income Tax Department as part of the Company's balance sheet are the same as appear on Exhibit Z1-Z3 as well as on Folio 99. (Tendered by Plaintiff. No objection. Marked Exhibit "Z4"). The entries in the ledger contain the same particulars as I sent to the Income Tax authorities. Those same figures appear in the Company's statement for the financial year 1949-1950. They do not appear in the Company's statement for the year 1950-1951. The net income of the Company was arrived at by deducting the Plaintiff's 1/3 share and the Managing Director's 1/3 share. The Statement of account in Folio 276 of the ledger contains transfer goods G.S.Lewis - £3,571.14.8d. Transfer Goods G.Francois £3,571.14.8d. dated 31/3/50 (Tendered by Plaintiff. No objection. Marked "Z5"). The statement and the amount of £3,571 appears on the same folio from 1/4/50 - 31/3/51 as G.Francois - Goods - nominal value - £3,571.14.8d. In the accounting column is the figures £1,190.11.4d. on the debit side. The sum £1,190.11.4d. was transferred to my private credit account. It represents the cash value of the stock taken over by the Company sometime about March 1951. These goods were in stock in the Company's premises. They were not removed at any time. I refer to goods earmarked for me in the Suspense Account. They were never appropriated. At 31/3/49 stock was taken of the Company's goods and out of the stock the value of £3,571.14.8d. being 1/3 share respectively was earmarked for Plaintiff and myself. The sharing would be a matter of eventual account. The earmarking of £3,571.14.8d. was a mental reservation subject to the direction of the Board. At the time I circulated the balance sheet - Exhibit "N" - on 9/9/49 I had not put down against Plaintiff and myself the appropriation of the 1/3 share and that was why the appropriation did not appear in Exhibit "N" The goods were never appropriated physically to our respective 1/3 share at the time I made the entries in the ledger. The goods were never put aside for Plaintiff nor for myself as specific allocation. There was no division of the goods.

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Subsequently the price of £1,190.11.4d. credited to me in respect of my 1/3 share of goods nominal value £3,571.14.8d. I was further credited with the sum of £783.18.7d. This was in March 1951. My own account is not in dispute and therefore I will not explain. I see Exhibit "8" at page 32. There is no record of the Board of Directors awarding me 1/3 share. The Board of Directors never awarded me 1/3 share neither the Shareholders. I sent the goods to the Auctioneer towards the end of February 1951. My 1/3 share was not decided on by the Directors at the meeting in May 1949. The Board of Directors and the Shareholders had never at any time discussed my 1/3 share. In my memo of 9/9/49 to the Directors I said if you were going to give the Plaintiff 1/3 share I claim 1/3 share myself. The ink at page 31 is little darker than at page 32. The Board of Directors had suggested 1/3 share to Plaintiff and so I claimed also 1/3 share and so I entered 1/3 share each for Plaintiff and myself in the balance sheet submitted to Income Tax Authorities. The entries in the ledger were made on or before 6/10/49 but it would appear on the ledger on 31/3/49. The entries were made after the circulation of the balance sheet Exhibit "N" which is dated 9/9/49. The entries were made very near 6/10/49 or about the same time. The object of Exhibit "N" was not to put before the Board of Directors my view of what should be done in regards to the declared profits of the Company. The object of Exhibit "N" was to place before the Board of Directors a clear picture of the financial state of accounts. There it is recorded that I claim no more for myself if the Board gave 1/3 share to Plaintiff. The first three paragraphs of Exhibit "N" just state the liability side of the Company's account. I should not say Plaintiff's memo was an objection to the devaluation of the Ground Stock. It is more a venomous attack. I entered Plaintiff's 1/3 share as well as mine in the Profit and Loss Account of the Company. It is incorrect that I did send the Balance Sheet to the Income Tax Authorities after the Directors' meeting on 31/10/49. I sent the Balance Sheet before the Directors met on 31/10/49. I had no authority whatever before I entered the 1/3 share in the books. The Directors said they took the Balance Sheet as read at the meeting on 31/10/49. I don't know if they accepted it. The Balance Sheet - Exhibit "N" - did not contain the appropriation of

In the Supreme Court of the Gold Coast.

Defendants' Evidence.

No.12.

George Francois.
18th September, 1952.

Cross-
Examination
- continued.

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Court of the
Gold Coast.

Defendants'
Evidence.

No.12.

George Francois.
18th September,
1952.

Cross-
Examination
- continued.

19th September,
1952.

the 1/3 share to Plaintiff and myself which I submitted to the Directors though the shares were appropriated on the Statement of Account submitted to the Income Tax Authorities. The Directors had before them the circulated Balance Sheet which did not contain the appropriation.

Court:- Adjourned 19/9/52.

(Sgd.) C.S. Acolatse.
J.

19th September, 1952.

Court: Same Counsel.

GEORGE FRANCOIS:- Still on oath:

I have brought the copy of the Balance Sheet submitted to the Income Tax Department with a covering letter dated 6/10/49. (Tendered by Plaintiff. No objection. Marked "FF") It is for the year 1948/49. I wrote Exhibit "J". I accept and stand by Exhibit "J" on paragraph 3 at page 2 relating to Suspense Account. The 1/3 share for Plaintiff and myself was placed in the Suspense Account in our respective names. My memo of 9/9/49 in Exhibit "N" covers so many things not touched upon at the Directors' meeting on 1/5/49. I read the minutes of the Board meeting on 1/5/49 long time before I made Exhibit "N". I knew at the time I was writing my Memo in Exhibit "N" that the Board of Directors agreed to allow 1/3 share to Plaintiff but that they wanted to see the Balance Sheet before final decision. It was never understood that the 1/3 share had to be paid in cash. I do not know that the declared profits are viewed in commerce as cash. I see a letter dated 8/10/49 from the Income Tax Authorities to the Company (Tendered. No objection, marked "GG"). Under Exhibit "AA" it may be that I was appointed agent for the Plaintiff under the Income Tax Ordinance. I see here a letter dated 19/8/49 from the Income Tax Department to the Plaintiff. (Tendered. No objection, marked "HH"). It is correct that I sent the particulars referred to in "HH" to the Income Tax Authorities with the Company's account on 30/7/49. I did not send the Company's account to the Income Tax Department before 6/10/49. Exhibit "HH" refers to the salaries of the employees. The account was balanced before I prepared Exhibit "N" and the Balance Sheet. My salary was £700 per annum from

"FF"

"GG"

"HH"

10

20

30

40

1/4/48 to 31/3/49 and the Plaintiff was drawing £500 in salary. I don't remember Plaintiff withdrawing from the meeting held on 1/5/49 of the Board of Directors. I remember I myself withdrew from that meeting and left the meeting and another chairman was appointed to take the chair when the question of Plaintiff's remuneration was going to be discussed since I submitted the subject to the Board. I did the same thing at the meeting on 31/10/49. I did not tell the Directors of the appropriation of the 1/3 referred to in the Balance Sheet .. "FF" - to the Income Tax Department at the meeting on 31/10/49 because that would be dictating to the Directors what they were about to do themselves. I might have mentioned it to one or two Directors about the appropriation of the 1/3 share in the Balance Sheet to the Income Tax Department after the meeting. I did not return to the meeting. I told the Directors after the meeting about the appropriation of the 1/3 share. I did not conceal it from them. The one or two Directors I told merely shrugged their shoulders. I don't remember suggesting as far back as 1939 the Plaintiff's remuneration including some share of the profits. I remember having seen this letter. I would not say that the goods I sent to the Auctioneer were unsaleable. The goods were never sent to outstations before handing them over to Plaintiff. The goods we had at Tafo and Suhum were transferred to Accra when we opened up here. The goods were indented by me. I cannot remember if they were in stock during the early part of the war. Stocks may sell better at one place than the other. I did very little indenting when the Company moved to Accra. The Plaintiff sent me copies long after he sent orders for the goods. The Plaintiff was responsible for the indent of goods. I cannot say one should have a larger quantity of right goods than one can assimilate. We had so much enamel ware coming in in 1948-49 that we had quite a lot unsold. We sold large quantity of enamel ware in 1948-9. I cannot say if our lines in enamel ware were quite exclusive from other firms. I had not discovered the chipped and damaged enamel wares till after Plaintiff had left the Company. I was in charge of the whole place when the Plaintiff was ill. I don't remember how long he was absent on ground of illness. He may be absent for about a month. At 1/4/49 the Plaintiff had not resumed charge of stock or of sales because he was malingering. I had no opportunity of finding out the defects in the enamel wares as I had not the time.

In the Supreme Court of the Gold Coast.

Defendants' Evidence.

No.12.

George Francois.
19th September,
1952.

Cross-
Examination
- continued.

In the Supreme
Court of the
Gold Coast.

Defendants'
Evidence.

No.12.

George Francois.
19th September,
1952.

Cross-
Examination
- continued.

The Plaintiff was ill from the end of January. I suggested the use of the Invoices in checking the contents of the cases of enamel wares. I inserted the cost price in the stocktaking of 1/4/49 in Exhibit "4". I was in charge of sales. I cannot say I had a fair idea of the market value of all the goods at 1/4/49. I was quite satisfied at 1/4/49 of the sales efforts. My essential complaint today is that the Indenting was mistaken both to the types of goods indented for and as the quantities but not in every instance. The profits of 1949-50 would be affected accordingly if the value of the stock were overestimated. It was the idea that this 1/3 share were to be earned from year to year at the time I made the offer to Plaintiff. I did not know the attitude of the Plaintiff. There was no two years contract. Yes, I see Exhibit "1" with the service agreement which the Plaintiff rejected and returned unless the period of service of 1949-50 was included. This letter - Exhibit "1" was on 7/11/49. The Plaintiff was returning the new draft of contract of employment as from 1/4/49 as contained in the Service of Agreement attached to Exhibit "1". If the Plaintiff were to be earning 1/3 share of the profits for the year 1949-50 then this alleged overstating of the value of goods in stock would affect his 1/3 share of profits in the year 1949-50 if allowed. I don't agree that the Plaintiff had nothing to gain by the overstating of the value of goods in stock. Exhibit "N" deals with liabilities and assets. I had been selling goods up to the time of making the balance sheet for 1948-49 sometime with approximate monthly sales of £8,500. This is a letter from the Defendants to the Plaintiff dated 10/2/50. (Tendered. No objection. 30

"JJ" Marked "JJ"). It refers to the 1/3 share being placed to the Suspense Account of the Plaintiff and the termination of Plaintiff's service as from 8/2/50. This is a copy of the Plaintiff's letter of 9/2/50 to the Company after his termination of service. (Tendered by Plaintiff. No objection. 40

"KK" Marked "KK"). Exhibit "A" terminated Plaintiff's employment. It is dated 8/2/50. Exhibit "KK" is a letter in reply to Exhibit "A". The Plaintiff was a Director of the Company during his period of employment. He still has some shares in the Company but he is no longer a Director. I don't see any record in the minute book showing that Plaintiff has ceased to be a Director. I have not got 50

the carbon copy of the account of the Company to the Income Tax Department for the year 1949-50. There is a letter from the Income Tax Department to the Company relating to the profits of the year 1948-9. This is one. I have not got the others in my possession.

By Court:- Adjourned for re-examination. Counsel states he closes cross-examination.

10

Adjourned: 22/9/52.

(Sgd.) C.S. Acolatse,
J.

22nd September, 1952.

Re-Examined by Lokko

GEORGE FRANCOIS:- Still on Oath:-

20

This is Plaintiff Memo - Exhibit "X". I am looking at page 3 line 5. The balance sheet - Exhibit "N" - which I prepared covers the period up to 31/3/49. The Balance Sheet - Exhibit "FF" - I sent to the C.I.T. contains the appropriation of Plaintiff's 1/3 share of net profits. The total cash liabilities in the balance sheets of Exhibits "N" and "FF" were £12,891.8.6d. The total cash assets were £2,544.13/-. The appropriations of the 1/3 share to Plaintiff and myself do not appear in the cash liabilities. The profits and loss account is £12,187.0.4d. which will contain the appropriations of the 1/3 shares as profits appropriation account. It does not appear on Exhibit "N".

30

Exhibit "J1" shows the Plaintiff's salary account. Exhibit "1" has nothing to do with the period involved in this case. The sum of £645.11.0d. in Exhibit "J1" represents the balance of Plaintiff's salary at 31/3/49.

Court:

40

There was no contract between Plaintiff and Defendants during the period of 1948-49 in regard to the 1/3 share. I made a written offer about the 1/3 share to Defendants in October, 1948 but that offer was withdrawn on 28/3/49. Exhibit "S" is the offer and "T" was the withdrawal and "U" is the Plaintiff's reply to the withdrawal and "V" is the reply from me to put the matters before the

In the Supreme Court of the Gold Coast.

Defendants' Evidence.

No.12.

George Francois.

19th September, 1952.

Cross-Examination - continued.

22nd September, 1952.

Re-Examination.

In the Supreme
Court of the
Gold Coast.

Defendants'
Evidence.

No.12.

George Francois.
22nd September,
1952.

Re-Examination
- continued.

Directors. The Plaintiff's remuneration for the financial year 1948-49 was £500 a year plus what the Directors might allow. I as Managing Director, do act on the instructions and advice of the Board of Directors and shareholders. I also do make suggestions for the Board of Directors to approve and sanction if called for in the interests of the business.

Court:- Case for Defendants closed.
Adjourned for addresses 23/9/52.
(Sgd.) C.S. Acolatse
J.

10

No.13.

Addresses by
Counsel.

23rd September,
1952.

No. 13.

ADDRESSES BY COUNSEL

23rd September, 1952.

Court:- Same Counsel.

Enchill:- Asks leave to amend claim, under Order 26 of Cap. 4 Schedule 3, by adding to the 3rd paragraph of the particulars of claim after J.Sarkodee Adoo the words "and to the Income Tax Department by Defendants on or about 6.10.49".

20

Lokko:- Opposes application at this late stage because it was within the knowledge of Plaintiff all the time when writ was issued. Evidence led by Plaintiff on this amendment under Exhibit "O" showing the assessment by the C.I.Tax. It would have been necessary to call the C.I.T. to rebut the evidence if amendment allowed.

30

Enchill:- Does not press the amendment. Abandons it.

Court:- Application not considered accordingly.

Lokko:- Addresses Court.

Writ issued 27.2.51 and returnable 12.3.51. Reads writ of summons. Amendment of writ by Plaintiff filed on 15.3.51 as an account stated between parties.

Pleadings ordered by Court and filed by each party. Refers to S/D filed on 19/4/51.

Defendants filed an amendment to their S/D on 25/1/52 which was granted by Court.

Plaintiff abandoned his application on notice to amend his reply to Defendants' S/D before the Court. It was filed on 14/1/52.

10 Reads the amended S/D which alleges Plaintiff's claim is based on the act of the Managing Director which is ultra vires the Company and void. The Defendants maintain there had never been any "Account stated" between the Plaintiff and themselves in opposition to Plaintiff's opening and submits Defendants' definition of "Account stated" is evidently different from that of Plaintiff.

When the Defendants said Plaintiff received salary the Plaintiff said he was not on salary. Refers to Exhibit "KK" inconsistent with particulars of claim to salary.

20 Plaintiff is claiming 1/3 share of profits in 2nd part of his writ.

30 Refers to Exhibit "J1" the Plaintiff's salary account from 1/4/48 to 31/3/49 showing salary of £500 per annum and from 1/4/49 to 8/2/50 showing salary of £700 per annum. This salary of £700 was based on recommendation by the Board of Directors at a meeting held on 31/10/49. The Defendants reckoned they owed Plaintiff salary amounting to £960.18.10d. at 8/2/50 inclusive 1948-9 and 1949-50.

The balance of salary to the credit of Plaintiff at 1/4/49 is £645.11/- which Plaintiff claims on writ.

Submits if Plaintiff alleged he was not entitled to salary in Exhibit "KK" then he would not be entitled to the £500 per annum credited to him. He would only be entitled to £145.11/- which represents money held by the Company for him.

40 The Defendants however sent to Plaintiff's Solicitor a cheque for £960.18.10d. being salary due to Plaintiff for inclusive period of 1948 to 1950 under a letter dated 23/2/50 in Exhibit "J". Plaintiff rejected cheque through his Solicitor in a letter dated 25/2/50 in Exhibit "D" at page 2 until the account for the whole period or to 31/3/49 has been agreed upon.

In the Supreme Court of the Gold Coast.

No.13.

Addresses by Counsel.

23rd September, 1952

- continued.

In the Supreme
Court of the
Gold Coast.

No.13.

Addresses by
Counsel.

23rd September,
1952

- continued.

As to 2nd claim of 1/3 share of profits Plaintiff produced no authority in evidence from the body competent to give him the 1/3 share profits. The body competent to give him the 1/3 share is the Company in General Meeting and yet he claims it in a letter dated 17/2/50 to the Company in Exhibit "C".

Refers to Article 61 Table A Companies Ordinance Cap. 156 at page 1910 shows the Competent body: It sic

10

The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Refers to the Company's Articles of Association in Exhibit "Y" being extracts relating to Directors. Plaintiff's claim is not with any of the Clauses in "Y". The Articles pre-suppose special service.

Plaintiff relies on the offer of the Managing Directors of 15/10/48 (which was put down in error as 1949 and by consent corrected by Plaintiff). The offer is in Exhibit "S" at items 4 and 5 and 6. This offer Exhibit "S" remained unacknowledged up to 28/3/49 when the Managing Director withdrew the said offer by Exhibit "T" as there was no acceptance from Plaintiff.

20

The Plaintiff's reply to Exhibits "S" and "T" are seen in Exhibit "U" dated 5/4/49 accepting the offer of 15/10/48 and holding the Defendants on the offer as on a contract after its withdrawal.

Court:- Adjourned at this stage:- 24/9/52.

30

(Sgd.) C.S. Acolatse
J.

24th September,
1952.

24th September, 1952.

Court:- Same Counsel.

Lokko:-

To constitute a contract on an offer the acceptance must be absolute and must correspond with the terms of the offer. Submits inconsistency in the Plaintiff's alleged acceptance in Exhibit "U". Refers to Exhibit "2" dated 30/9/48 in which Plaintiff was asking for 40% of the net proceeds. Reply to Exhibit "2" is in Exhibit "R". Submits Court should consider Plaintiff's demeanour in the witness box. His inconsistencies in the witness box and his dealings with Defendant. Submits on the whole no contract upon which Plaintiff could sue nor upon any "Account stated".

40

Case before Court may be divided into five phases. 1. The period Plaintiff was exerting pressure for better terms and secured an offer on 15/10/48. The Managing Director had no authority to make the offer. Plaintiff not satisfied with offer of 33 1/3 and bid for higher term. Subsequently offer was withdrawn.

10 2. Exhibits "U" and "BB" open the next phase. It is dated 8/4/49 asking for clearance of terms of offer of 15/10/48. Plaintiff was not definite at any time on the terms offered but hoping for better terms. Terms referred to Board meeting on 1/5/49 in Exhibit "V" and also the confirmation of withdrawal of offer. Board met and asked for the Balance Sheet before decision. The meeting is contained in Exhibit "8".

20 Submits meeting of 1/5/49 is void under the Articles of Association - Exhibit "Y" - which required only 3 Directors but they increased themselves to 7 without amending the Articles. Plaintiff called attention to this defect in his Memo. in Exhibit "X" dated 20/9/49.

30 3. The Balance Sheet prepared by the Managing Director and circulated on 9/9/49 with a Memo prepared by Mrs. Francois - see Exhibit "N". The object to show financial position of the Company. Balance Sheet disclosed financial position of Company. Plaintiff disputed the Cash liabilities and assets and maintained cash assets and goods assets are both fluid and interchangeable as though one would always part with money for goods unwanted.

Balance Sheet to the C.I.T. contains the appropriation. See Exhibit "FF". The Defendants' witness admitted he took a cue from opinion expressed by the Board of Directors on 1/5/49 that 33 1/3% of net profits may be given to Plaintiff. Reply from C.I.T. to Managing Director on receipt of "FF" dated 8/10/49 in "GG".

40 4. Board of Directors met on 31/10/49 after the shareholders had met and amended Article 5 of "Y" increasing the Directors to 7. The result of the meeting of 31/10/49 is in Exhibit "10". It did not follow the line indicated on 1/5/49. The new directors did not deal with the 33 1/3 share suggested by the former Board on ground that they were not competent to deal with the financial 1948-9 before they had come into existence. The Directors passed certain provisions of terms to be embodied in Exhibit "1" as from 1/4/49 onwards. The

In the Supreme
Court of the
Gold Coast.

No.13.

Addresses by
Counsel.

24th September,
1952

- continued.

In the Supreme
Court of the
Gold Coast.

No.13.

Addresses by
Counsel.

24th September,
1952

- continued.

Board's recommendation had to be sanctioned by the shareholders the only authority who can deal with the assets of the Company.

5. As a result of no adjustment between the parties the matter had to come before the Court. Exhibit "N" the Balance Sheet before the Board contains no appropriation. The Company sent the appropriation to C.I.T. The Company benefited but that not a question for the Court. The meeting of 31/10/49 - Exhibit "10" - was not a General Meeting with shareholders. The account of the appropriation was placed in Suspense Account as awaiting the confirmation of the shareholders.

10

Plaintiff's case should have been based on the Minute Book. No authority for appropriation in the Minute Book.

Counsel cites:- In Re George Newman and Co.- 1895 - 1 Chancery p.674. See 686 - Directors cannot pay themselves out of Company's assets without lawful sanction. See Exhibit "Y".

20

Submits Plaintiff's claim should be dismissed.
Court:- Adjourned 25/9/52.

(Sgd.) C.S.Acolatse
J.

25th September,
1952.

25th September, 1952.

Court:- Same Counsel.

Lokko continues:-

Refers to Exhibit "O" - Income Tax Assessment dated 31/1/50. Income Tax not yet paid. Payment pending dispute between parties. The Directors meeting in Exhibit "8" was adjourned for the Balance Sheet. Balance Sheets with Exhibits "N" and "X" were circulated to the Directors and not to shareholders.

30

Shareholders met on 1/5/49 but did not touch upon Plaintiff's remuneration in Exhibit "7".

Court:-

Lokko tenders, at this stage, the "Memorandum and Articles of Association of the Cheapside Syndicate Ltd."

40

Enchill objects. The document is of the very essence of Defendants' case. Defendants did not examine on the document in evidence and did not rely on it. Document cannot be admitted at this stage since it was not examined upon during trial.

Court:-

It is necessary for Justice to be done to see the Articles of Association incorporated under the Companies Ordinance No.14 of 1906. Exhibit "Y" is an extract from the Articles of Association. It is desirable to see the whole.

Court:-

Articles of Association admitted at this stage. Objection overruled. Accepted and marked Exhibit "11".

Lokko:-

Article 5 of Exhibit "11" requires that the number of Directors shall not exceed three.

Powers and duties of Directors are contained in Table A63-67 of Cap.156.

Enchill:-

"Account Stated" in Wharton's Law of Lexicon at page 14, is the admission of a balance due from one party to another, and that balance being due there is a debt; the Statement of the Account and the admission of the balance implies a promise in Law to pay it". "An Account Stated" however creates only a prima facie liability, which may be rebutted by disputing a debt charged in the account, as for instance, by proving mistake (among other ordinary defences)".

"Account Stated" affords a distinct cause of action and may be so stated in the S/C.

Account stated in Hailsham's - Vol.7 - p.296, Art.409 is "The admission must be accepted by the party to whom it is made". Grundy vs: Townsend reported in 12 Digest p.575 Art.4793. "Bringing an action upon Account Stated is sufficient acceptance".

Refers to Exhibit "A" of 8/2/50 and Exhibit "KK" of Plaintiff's reply of 9/2/50 and "J1" as admission showing Plaintiff's salary account.

Submits Plaintiff demands arrears of salary and 1/3 share of net profits £3,571.14.8d. immediately on termination of employment which admission by Defendants as to salary is contained in "J1".

Exhibit "J1" - 10/2/50 is a reply to "KK" from Secretary to Plaintiff showing issues involved in paragraphs 2 and 3.

In the Supreme
Court of the
Gold Coast.

No.13.

Addresses by
Counsel.

25th September,
1952

- continued.

In the Supreme
Court of the
Gold Coast.

No.13.

Addresses by
Counsel.

25th September,
1952

- continued.

Submits "JJ" is an admission of Plaintiff's claims but Defendants go further say they were not in position to meet the 1/3 share in cash.

Exhibit "J" explains why the 1/3 share is placed in Suspense Account and how and when the Company will settle.

Refers to In Re George Newman and Co. Submits there are two alternatives governing the authority of the agent of the Company. The case Re G. Newman turns entirely on the Articles of Association is distinguishable from the case before Court. Re Newman dealt with distribution of Capital and not distribution of Net Profits. Net Profits can be dealt with by the Company.

10

Question:- Whether Defendants Company have power to remunerate a Director by way of certain shares of profits? Under Table A of the Companies Ordinance the Cheapside Company has power. Article 11 of Exhibit "Y" gives the Directors of the Company power to remunerate any other Director in certain circumstances. The 1/3 share allotted to Plaintiff was put down as expenses incurred by the Company in arriving at the Company's net profits for 1948-9. The net profits for 1948-9 represent the Company's profit for that year after all deduction of expenses. The 1/3 share represents remuneration allowed as expenses for the Company. The Company has the power to grant it.

20

Refers to Defendants' amended S/D on file. Submits Plaintiff's not based on the offer in Exhibits "S" and "T" but upon Account Stated.

30

Cites Royal British Bank vs: Turquand in 21 Digest 297 Ar. 1066 on Irregularity an absence of valid resolution. The Directors have the authority to remunerate and exercise the powers of the Company. We are dealing with Plaintiff as an employee who happens also to be a Director. The Plaintiff's status in this case is as an employee.

Refers to Exhibit "Q" - 28/7/48 - a note from Defendants to Plaintiff showing salaries of employees.

40

Court:- Adjourned 26/9/52.

(Sgd.) C.S. Acolatse
J.

26th September, 1952.

Court:- Same Counsel.

Enchill:-

Clause 61 of Table A deals with remuneration of Directors and not employees. Refers to par.S/D and Art.11. Submits amended defence irrelevant to claim. Directors cannot plead ignorance or surprise or mistake concerning the remuneration allowed to Plaintiff in £3,571.14.8d.

In the Supreme
Court of the
Gold Coast.

No.13.

Addresses by
Counsel.

26th September,
1952.

10 Exhibit "N" was circulated by the Managing Director and is evidence of Exhibit "8".

Exhibit "CC" dated 27/4/49 is a Memo from Francois to Directors before the meeting of 1/5/49.

Submits 1. That the three Directors of the Company must be taken to have taken the decision that the 1/3 share should be paid.

20 2. All the Directors must be deemed to have full knowledge and awareness of the 1/3 share allowed to the Plaintiff and Managing Director. Exhibits "N" and "X" and "10" show conclusively that the Company was committed and in spite of that they did nothing and must be deemed to have approved Exhibit "1" - Draft Agreement for 1949-50 - is another proof that the 1/3 share was deliberately allowed to stand as arranged.

3. There has never been any withdrawal of the position so taken.

30 4. The Company was assessed for Tax on an income which was arrived at by allowing as expenses the said 1/3 share for the two Directors. The Company's books up to 1951 bear out continuance acceptance and the Company knew the Plaintiff would be taxed.

Exhibit "AA" shows that the Company in fact acted as agents for the Plaintiff in communicating Plaintiff's remuneration for the period 1948-9.

40 Exhibits "M", 1 and "CC" show the whole matter was brought before the General Meeting of 30/10/49 and the Company must be deemed to have ratified the Managing Director's action in forwarding the balance sheet to the Income Tax.

In the Supreme Court of the Gold Coast.

No.13.

Addresses by Counsel.

26th September, 1952

- continued.

Enchill:-

At this stage Enchill applies to amend his claim that the work and labour done for the Defendants, the Plaintiff claims £3,571.14.8d. in the alternative for the period 1948-9.

Lokko:-

Application to amend at this stage for adding a new claim as it reads cannot stand as the trial has not been fought on a quantum meruit. Plaintiff should stand or fall by his original claim.

10

Court:- Application allowed for the amendment.

Court:- Judgment reserved.

(Sgd.) C.S. Acolatse
J.

No.14.

Judgment.

1st October, 1952.

No. 14.

JUDGMENT

1st October, 1952.

IN THE SUPREME COURT OF THE GOLD COAST
EASTERN JUDICIAL DIVISION, held at VICTORIABORG,
ACCRA, on WEDNESDAY the 1st day of OCTOBER 1952,
Before ACOLATSE, J.

20

Suit No. 32/1951

G. STANLEY LEWIS

Plaintiff

versus

THE CHEAPSIDE SYNDICATE LTD.
etc.

Defendants

JUDGMENT:-

The Plaintiff in this action took out a Summons against the Defendants on 27th February 1951. The writ was served on 2nd March, 1951. Pleadings were ordered on 19th March, 1951. The hearing of the case before the Court began on 28th February, 1952.

30

The claim as contained in the Writ of Summons was later amended during the trial on 12th March, 1952, and reads as follows :-

"The Plaintiff's claim is for the sum of Four thousand two hundred and seventeen pounds

five shillings and eight pence (£4,217.5.8d.) payable by the Defendants to the Plaintiff, being money found to be due from the Defendants to the Plaintiff on an account stated between them".

In the Supreme Court of the Gold Coast.

No.14.

PARTICULARS:-

Judgment.

1st October, 1952

- continued.

| | | |
|----|--|--------------------|
| 10 | 23/2/50 - Balance of arrears of the Plaintiff's salary computed up to 31/3/49 acknowledged in the Statement of Account attached by the Defendants to their letter of this date addressed to the Plaintiff's Solicitor, Mr.J.Sarkodee Adoo | £ 645.11.0 |
| 20 | 23/2/50 - The Plaintiff's one-third (1/3) share of profits computed up to 31/3/49 also acknowledged in the Statement of Account attached by the said Defendants to their letter dated 23/2/50 addressed to the Plaintiff's former Solicitor Mr.J.Sarkodee Adoo | £ <u>3571.14.8</u> |
| | TOTAL £ 4217. 5.8 | |

The Plaintiff further claims an order for payment of interest on the total amount of £4217.5.8d. claimed herein reckoned at 5% interest per annum from 1st April, 1949 up to date of judgment.

30 The Defendants' Statement of Defence filed on 19th April, 1951, alleged that the Plaintiff's services were terminated on 31st March, 1950, as an employee of the Defendant Company. The Defendants averred that the Plaintiff's Account was prepared up to 31st March, 1950 and a cheque for his undrawn salary amounting to £960.18.10d. was forwarded to Plaintiff's Solicitor by registered letter dated 23rd February, 1950.

40 "The Defendants further averred that the Plaintiff's recommended share of profits was in goods and a list of goods showing quantities and values was prepared and forwarded to his said Solicitor under registered cover dated 23rd February, 1950. Plaintiff was requested to collect his goods.

The Plaintiff returned the cheque for undrawn salary. Plaintiff made no attempt to collect his goods. The Plaintiff sues for undrawn salary to 31st March, 1949. Plaintiff was under salary to

In the Supreme
Court of the
Gold Coast.

No.14.
Judgment.
1st October,
1952
- continued.

31st March, 1950. The Defendants are ready and have always been willing to pay to the Plaintiff what is due to him.

The Defendants are prepared to account for the Plaintiff's goods sold through their organisation and for the residue handed to an auctioneer.

The Defendants deny that the Plaintiff is entitled to any interest as claimed".

The Plaintiff filed an amended Reply to Defendants' Statement of Defence on 14th January, 1952. 10

The Defendants amended the Statement of Defence as filed on 25th January, 1952. The Defendants aver that :-

"By Clause 21 of the Articles of Association of the Company the Assets belong to the Shareholders

and
By Clause 61 of Table "A" of the Companies Ordinance Cap.156 adopted by the Company the remuneration of the Directors shall from time to time be determined by the Company in General Meeting. 20

The one-third share of profits claimed by the Plaintiff is without authority and the offer of the Managing Director which was withdrawn and upon which the Plaintiff's claim is based is ultra vires the Company and void".

The hearing of the case was resumed before me after several adjournments on 11th September, 1952.

The Plaintiff in this case is an employee of considerable importance to the Defendants and is also a Director in the Company. The Plaintiff had been with the Company for a number of years as from about the year 1935. The Plaintiff and the witness for the Defendant Company - Mr. George Francois - it appeared from the evidence, operated the business for and on behalf of the Company in Accra. 30

During the course of the business operation in Accra a suggestion came up for discussion about the necessity of an increase of Plaintiff's remuneration. There began a series of correspondence between the Managing Director and the Plaintiff on the subject. A letter was written by the Defendants' witness in the course of his employment as Managing Director on 15th October, 1948 in which an offer of one-third share of the Net Profits of 40

the Company's business was made to Plaintiff. That letter is marked "S" in evidence. The Plaintiff did not reply to the offer and consequently by a letter dated 28th March, 1949, and marked "T" in evidence was withdrawn accordingly.

10 The Plaintiff however wrote a letter in reply to Exhibit "T", which withdrew the offer of 28th March, 1949, accepting in ambiguous terms the offer which had already been withdrawn. It is Exhibit "U" in evidence.

The Defendants' witness and Plaintiff seemed to disagree on the material terms and eventually it was agreed to refer the whole issue of Plaintiff's remuneration to a General Meeting of the Company.

20 The Defendants' witness submitted the Balance Sheet of the Company with a Memorandum and circulated it amongst the members of the Board of Directors. This is marked "N". The question of the one-third share for Plaintiff was not entered on the Balance Sheet. Exhibit "N" - for the Board of Directors. This is dated 9th September, 1949. At a Shareholders' meeting it appeared the matter was adjourned pending the recommendation of the Board of Directors.

30 The Shareholders had never had any opportunity after its first meeting to recommend or pass a resolution or reject one about the question of the grant of one-third share of the Net Profits of the Company to Plaintiff.

40 The Board of Directors met on the question of Plaintiff's remuneration but it declared itself not competent to deal with any matter dealing with the financial year 1948-1949 before its existence. The Board advised however that as there had been a previous offer it would be wise and make for smooth working of the Company if this offer of one-third net profits were given to Mr. Lewis in a manner convenient to the Company having regard to Mr. Francois Memo of 9/9/49. This meeting was held on 31st October, 1949 and is in evidence as Exhibit "10".

The Plaintiff circulated also his Memorandum in opposition to the Managing Director on 20th September, 1949. The Plaintiff had not received any letter from the Company allowing him the grant of one-third share of the net profit as remuneration for his employment. It does not appear

In the Supreme Court of the Gold Coast.

No.14.

Judgment.

1st October, 1952

- continued.

In the Supreme
Court of the
Gold Coast.

No.14.

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1st October,
1952

- continued.

throughout the evidence any definite agreement by the Board to sanction or grant the said one-third share.

The Defendants' witness however filed another Balance Sheet for the Commissioner of Income Tax showing the Company's Assets and liabilities. It includes the appropriation of the one-third share of net profits to Plaintiff and the Managing Director respectively. It was dated 6th October, 1949. The Company was assessed accordingly on the items on the Balance Sheet - Exhibit "FF" - and the appropriations of the one-third share was deducted as expenses incurred by the Company.

10

This dispute arose from the fact that Plaintiff insisted that the one-third share of Net Profits was not allocated in goods and that on the valuation of the ground stock he was entitled to £3,571.14.8d. in cash. He also claimed £645.11/- as arrears of salary up to 31st March, 1949.

I say at once there is no dispute about the Plaintiff's right to his claim to arrears of salary as for the financial year of 1948-9 as shown in Exhibit "Q" for salaries of employees.

20

The question at issue before me is whether there was an offer and acceptance between the parties on the allocation of the one-third share of net profits. The next question raised by the Plaintiff is that the Company was bound by the Appropriation in the Balance Sheet to the Income Authorities and by the letter sent to the Solicitor for Plaintiff and whether the Managing Director can on its own authority bind the Company's employees or Directors without the sanction of the Shareholders convened at a General Meeting.

30

In re George Newman & Co., 1 Ch. Div. 1895 at p.674 it was held that Directors cannot pay themselves for their services, or make presents to themselves out of the Company's assets unless authorized so to do by the instrument which regulates the Company, or by the Shareholders at a properly convened meeting.

40

The Shareholders, at a meeting duly convened for the purpose, can, if they think proper, remunerate directors for their trouble or make presents for their services out of assets properly divisible amongst the shareholders themselves. The net profits of the Company I find is assets in the hands of the Company and can be dealt with by the Shareholders or by the Directors under their powers.

I am constrained to hold in the case before me that the Plaintiff's remuneration as to the one-third share of net profits for the financial year 1948-1949 was never adopted by any lawful authority under the Company's Articles of Association - Exhibit "11".

In the Supreme Court of the Gold Coast.

No.14.

Judgment.

1st October, 1952

- continued.

10 I find also the meeting held on 31st October, 1949, failed to commit itself to the suggestion and held out, on the question, its opinion in an advisory capacity in respect of the one-third share to Plaintiff.

I therefore find as on the evidence before me that there is no contract subsisting between the parties on the one-third share. No resolution has been made and passed at a duly convened meeting on the subject to entitle the Plaintiff to his claim on the writ in respect of the £3,571.14.8d. The Plaintiff fails on that claim.

20 I give judgment however for Plaintiff for £645.11/- for arrears of salary for the financial year 1948-9 with interest 5% per annum.

I order costs to be taxed for each party and to be set off one against the other.

(Sgd.) C.S. Acolatse
Judge.

Read by Mr. Justice Windsor-Aubrey as Mr. Justice Acolatse is on leave.

(Intd.) H.M.W.A.

No. 15.

NOTICE OF APPEAL

IN THE WEST AFRICAN COURT OF APPEAL
GOLD COAST SESSION, ACCRA.
A.D. 1952.

In the West African Court of Appeal

No.15.

Notice of Appeal.

30 BETWEEN:- GEORGE STANLEY LEWIS Plaintiff-
of Accra Appellant

10th November, 1952.

- and -

THE CHEAPSIDE SYNDICATE LIMITED,
per their Managing Director
George Francois, of Accra Defendants-
Respondents.

In the West
African Court
of Appeal.

No.15.

Notice of
Appeal.

10th November,
1952

- continued.

NOTICE OF APPEAL

TAKE NOTICE that the Plaintiff being dissatisfied with the decision of the Divisional Court contained in the judgment of Acolatse J., dated the 1st day of October, 1952, doth hereby appeal to the West African Court of Appeal upon the grounds set out in paragraph 3 and will at the hearing of the appeal seek the relief set out in paragraph 4.

AND the Appellant further states that the name and address of the person directly affected by the appeal are those set out in paragraph 5.

10

2. Part of the decision of the lower Court complained of:-

The rejection of Plaintiff's claim for £3,571.14.8d. plus interest thereon at 5%.

3. GROUND OF APPEAL:

(1) The Learned trial judge failed to direct his mind fully and systematically to the issues before him regarding the Plaintiff's remuneration as to 1/3rd (One-third) share of the net profits of the Company for the financial year 1948-49. The said issues were

20

(a) Whether or not there was an account stated between the parties i.e. whether or not there was a contract implied by law to pay the said remuneration.

(b) Whether or not the Board of Directors had power under the Companies Articles to award such remuneration.

30

(c) If so whether or not on the facts of this particular case the Board of Directors and even the Defendant Company must be deemed to have exercised this power or to be estopped from denying that they had exercised this power.

In regard to (a), the learned trial Judge, declared during the address by Plaintiff's Counsel that he was satisfied that there was an account stated, but his judgment contains no such definite finding.

40

In regard to (b) and (c) the findings of

the learned trial Judge are in part obscure and beside the point and in part plainly contrary to the weight of evidence.

In the West African Court of Appeal.

No.15.

Notice of Appeal.

10th November, 1952

- continued.

- 10 (2) The learned trial Judge had no justification for placing any credence on the Defendant Company's Minutes Book, which was proved to be an inadequate and misleading record of the Company's meetings and of those of its Directors. Nor was there any justification - having regard to all the documentary evidence - for accepting the minutes of the alleged two meetings of 31/10/49 as recorded.
- 20 (3) The findings of the trial Judge as based on the evidence of the Defendant's managing Director are inequitable. The proved facts in regard to the said Managing Director are consistent only with a finding that the Board of Directors as well as the whole company must have authorised the payment to the Plaintiff of 1/3rd (One third) share of net profits as his remuneration for the said period.
- (4) The learned trial Judge failed to deal with the amendment by which alternatively to the said claim for 1/3rd (One third) share of profits on an account stated a claim based on a quantum meruit was added.

- 30 4. Relief sought from the West African Court of Appeal:-

That judgment may be entered for the Plaintiff in respect of his claim for £3,571.14.8d. plus interest at 5% and the judgment of the Court below may be varied accordingly.

5. Person directly affected by the Appeal:-

The Cheapside Syndicate Limited,
P.O. Box 208,
Accra.

- 40 DATED AT NAOFERG CHAMBERS, ACCRA, THIS 10th day of NOVEMBER, 1952.

(Sgd.) K.Bentsi-Enchill
PLAINTIFF-APPELLANT'S SOLICITOR.

In the West African Court of Appeal.

No. 16.

NOTICE TO AMEND STATEMENT OF CLAIM
IN THE WEST AFRICAN COURT OF APPEAL
GOLD COAST SESSION, ACCRA
A.D. 1952.

No.16.

Notice to Amend Statement of Claim.

18th January, 1956.

No.12/55:

BETWEEN:- GEORGE STANLEY LEWIS
of Accra

Plaintiff-Appellant

- and -

THE CHEAPSIDE SYNDICATE
LIMITED, of Accra

Defendants-Respondents

10

PLEASE TAKE NOTICE that at the hearing of the Appeal herein the Appellant will seek leave of the Court to amend his Statement of Claim herein by adding as a claim in the alternative the claim in contract contained in the original Writ of Summons herein, appearing on Page 1 of the Record of Proceedings as follows :-

"In the alternative the Plaintiff claims £3,751.14.8d. being Plaintiff's 1/3rd share of Profits computed up to 31st March 1949 agreed by the Defendants to be paid to Plaintiff by way of remuneration for the year April 1st 1948 to March 31st 1949. Plaintiff also claims interest at 5% per annum from 1st April, 1949 up to date of judgment".

20

The Plaintiff will also ask leave to broaden Ground 1 (a) by substituting a comma for the full stop and adding the following words :-

"or whether there was a contract at all to pay the said remuneration of one third (1/3rd) share of the net profits for the said year".

30

DATED AT NAOFERG CHAMBERS, ACCRA, this 18th day of JANUARY, 1956.

(Sgd.) Bentsi Enchill

PLAINTIFF/APPELLANT'S SOLICITOR.

No. 17.

JUDGE'S NOTES OF ARGUMENTS23rd January, 1956.

Enchill for Appellant.

Lokko (Francois with him) for Respondents.

Enchill:-

At p. 2 writ was amended. Statement of claim - Account stated.

10 Defence did not specifically deny stated account, but denied the contract in paragraph 8 of Defence.

Statement of Defence contains admissions - paragraphs 3 - 4, 5, 6 and 7. At p. Plaintiff moved for Judgment on admissions contained in Defence.

Defence pleaded tender but there was no payment into Court of amount admitted to be due.

Trial proceeded on all the issues. Judgment p.54 from line 24 sets out issues.

20 Ground 1(a)

Lokko not objecting, leave is granted to Appellant on Enchill's application to add to this ground the following words after the word "remuneration", namely "or whether there was a contract at all to pay the said remuneration of one third (1/3rd) share of the nett profits for the said year".

As to the contract

30 Refers to Exhibit Q - a List prepared by Defendants' Managing Director and handed to Plaintiff in which is set out salaries of different employees of Company dated 27.8.48.

"Remuneration of first two directors (Plaintiff and Francois) to come for review".

Exhibit "Q" was handed by Managing Director to the Plaintiff. It is a promise that if certain results were achieved, Plaintiff's remuneration would be increased.

40 Exhibit "R" confirms Exhibit "Q" and is a clear indication that there had been a discussion about remuneration.

Exhibit "2" was Plaintiff's reply - As to the paragraph headed Agreement - Plaintiff asks for

In the West African Court of Appeal.

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Judge's Notes of Argument.

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- continued.

33 $\frac{1}{3}$ - says he has always accepted what was offered him, but asks for something more.

Exhibit "DD" - Does not carry the matter much further. In Exhibit "2" Plaintiff had stated he would take what was offered to him, but Exhibit "DD" explores the question on the basis of 33 $\frac{1}{3}$ nett profits.

Plaintiff did not reply to Exhibit "DD".

The next letter is Exhibit "S" dated 15.10.1948. At this stage it was clear the old basis of employment at a bare salary had gone, and a new contract for share of profits was being negotiated. 10

From the promise in Exhibit "Q" to Exhibit "S", there is a move to a concrete proposal - It amounts to an acceptance of the Plaintiff's demand for better terms - It sets out the terms of agreement in response to the Plaintiff's letter Exhibit "2" p. 92 agreeing to agreement setting out terms.

Plaintiff's claim is for share of profits as from April 1948 p. 40 Defendants said the 1/3rd share was to be earned from year to year. 20

By Exhibit "T" the Defendants purported to withdraw terms in Exhibit "S". Plaintiff went on sick leave end of January, 1949. Returned early March 1949. Exhibit "T" written end of March -

Exhibit "U" - Plaintiff had continued work from 15.10.48 date of Exhibit "S" until he went on leave on 28.1.49.

Exhibits "U" and "BB" were written by Plaintiff after Exhibit "T" withdrawing offer of contract on basis that agreement subsisted but that terms were still to be worked out. 30

Exhibit "T" was written by Defendants before the financial year had expired.

What was reasonable time to answer Defendants' offer of terms. In Exhibit "V" which is Defendants' reply to "U" and "BB", he says he would place letters before Board of Directors and act on their directions - Insists that he has withdrawn offer of contract p. 30 line 29 Exhibits "K" and "L" Notices for meetings of Board. 40

Note Exhibit "L" Agenda (a) and (b)

See Managing Director's Memo on Withdrawal of offer Exhibit "CC". He is at this stage asking the Board to make new terms with Plaintiff. If Exhibits "A" and "JJ" and other letters are looked at it can be

inferred that the Board decided to honour the terms offered Plaintiff in Exhibit "S", at least as to 1/3rd share of nett profits.

There was no suggestion that surplus goods were to be shared in specie between Plaintiff and Company at end of financial share. There is no denial of the 1/3rd share being payable, we say in cash.

10 In Exhibit "J" Defendants sent account showing Plaintiff's 1/3rd share of profits.

20 Statement of Defence delivered 19th April, 1951. Defence filed Notice to amend defence on 25th January, 1952 to contend that the offer of 1/3rd share of profits was made to Plaintiff by Managing Director without authority of Directors. To establish what took place at meetings, Plaintiff tendered Exhibits "K", "L" and "M". The Minutes of meeting Exhibits "7" and "8" as result of Notice Exhibits "K" and "L" - Exhibit "8" shows that ques-
tion of 1/3rd share had been brought to notice of Board.

Minutes of a Company meeting are not exclusive of other evidence as to what transpired. Submits conduct of Managing Director after this meeting indicates that he knew Board had decided to allow 1/3rd share to Plaintiff.

30 Plaintiff says after meeting some members of Board told him that his share had been agreed upon. P.113 Exhibit "N" indicates that at meeting Directors fixed Plaintiff's remuneration at 1/3rd. This Memo indicates willingness to pay if Ground Stock value is reduced - Paragraph 6 of Exhibit "N" indicates awareness that Plaintiff's one-third share is payable in cash. Board meeting considered Plaintiff's remuneration from 1/4/49 to 31/3/50 Exhibit "N" paragraph 10.

40 Exhibit "N" shows decisions had been taken regarding Plaintiff's remuneration before meeting held.

Adjourned 24th January.

(Intd.) J.H.C.
P.

24th January, 1956.

Continued from above

Counsel as before

Enchill:-

Exhibit "N" is strong evidence of conclusiveness of decision taken by original Directors at

In the West African Court of Appeal.

No.17.

Judge's Notes of Arguments.

23rd, 24th and 25th January, 1956.

- continued.

24th January, 1956.

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- continued.

meetings in May. Exhibit "N" reviews matters already decided - Plaintiff's share etc. Plaintiff replied to Exhibit "N" in Exhibit "X" - Reaction of Managing Director was to immediately send returns to Income Tax Department as they stood.

P.35 Defendants' evidence - Exhibit "J" p.143 lines 19 - 30 Stresses Exhibit "X" last paragraph p.127 Refers to Exhibit "FF" dated 6.11.49 from Managing Director to Income Tax Commissioner forwarding Balance Sheet - Profit and Loss Account for year ended 31.3.49 there is Profits Appropriation accounts G.S. Lewis - £3,571.14.8d.
G. Francois - £3,571.14.8d.

10

Paragraph 3 of the covering letter refers to Appropriation deductions (of the shares of Lewis and Francois).

Exhibit "N" is Plaintiff's copy of Memo as circulated. On Notice, the original was not produced.

Plaintiff would not agree to devaluation of stock, so Managing Director forwarded accounts as they stood as had been decided by Board of Directors. He would not have done so if there had not been this decision of the Board.

20

Plaintiff attended shareholders' meeting on 30th October (see Exhibit "M"). Plaintiff contends there was only one meeting on that day - not a separate meeting of Board (see p. 31). By Exhibit 1 of 7.11.49 Plaintiff had insisted upon remuneration already agreed upon.

After May meeting it was found that there was some irregularity in constituting the Board - steps were taken to remedy this and to regularise the position. At these meetings, a copy of Exhibit "FF" containing the appropriation must have been shown to Directors. The Board recommended that the Managing Director's offer of remuneration to Plaintiff should be honoured and payment made in a manner convenient to Company. Before this meeting Francois had committed Company to 1/3rd share. Could not have done so without authority of Board - Francois' evidence on this point that he did not tell the Board. Parker and Cooper v. Reading 1926 Ch. 975 at 984. Submits the Company rejected the purported withdrawal of the offer to Plaintiff.

30

40

Defendants up to Statement of Defence do not take point that Board had not authorised the terms to Plaintiff.

Ground 1 (b)

Respondents cited Re George Newmann 1895 1 Ch. 674. But in this case Article 11 of the Articles of Association provides for a Director to be an employee - Plaintiff's terms were arranged by the Managing Directors - within his province to engage Plaintiff. He referred terms to other Directors and they agreed. In this case the Managing Director held 90% of the shares. His will could prevail but he submitted questions to Board of Directors. Article 12 provides for remuneration by a percentage of profits. Meeting of October 31st ratified act of Managing Director. Up to 1951 accounts still show the appropriation of 1/3rd share already referred to. Agreement to pay 1/3rd share for the year 1948-1949.

10

If held that Board had no power to ratify, then submits Plaintiff entitled on quantum meruit - see amendment to Writ p.50.

20

Chitty on Contracts 20th Edition p. 114. Craven-Ellis v. Cannons, Ltd. 1936 2 K.B. p.403. There was an understanding to pay the remuneration, if no authority to make contract, Plaintiff entitled to what Company thought was reasonable. Chitty on Contract p.46.

As to Account stated.

30

Proved that in Exhibit "FF", Defendants' Managing Director made acknowledgment as to 1/3rd share as remuneration. Managing Director had been appointed Plaintiff's agent for Income Tax purposes. Exhibit "O" shows additional assessment to tax on share of profits as particulars supplied by Managing Director - Francois as Plaintiff's agent accepted that remuneration for Plaintiff in act of communicating it to Commissioner of Income Tax. Exhibit "FF" sent to Income Tax contains the appropriation.

Court adjourns for 10 minutes.

40

Resumes - At this stage Enchill applies for amendment of Writ and Statement of Claim by adding after the word Judgment, a further claim to read:

"In the alternative the Plaintiff claims £3,751.14.8d. being Plaintiff's 1/3rd share of profits computed up to 31st March, 1949 agreed by Defendants to be paid to Plaintiff by way of remuneration for the year April 1st 1948 to March 31st 1949 for work done by Plaintiff for Defendants

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No.17.

Judge's Notes of Arguments.

23rd, 24th and 25th January, 1956.

- continued.

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Judge's Notes
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1956

- continued.

at Defendants' request during the said period. Plaintiff also claims interest at 5% per annum from 1st April 1949 up to date of judgment.

Manche Kojo Ababio IV v. Quartey and Another
Privy Council Appeal No. 94/1914 Order 28 R. 1
Annual Practice. Court of Appeal has power to
amend.

Francois - contra

Rule 35 under which amendment is sought is
discretionary. Odikro Danso Abiam II v. Ohene
Boakyi Tromu II 10 W.A.C.A. Acuad v. Nzimiro 10
W.A.C.A. p.73. Case has been fought on account
stated - not on Quasi Contract. Evidence would
have to be led to show that Plaintiff was not re-
quested to do the work alleged.

10

Enchill:

The trial Judge made a finding that there was
no contract. Case proceeded on basis of a re-
lationship existing between the parties.

Ruling

20

The Court cannot allow an amendment at this
stage, the effect of which is to add a new and al-
ternative claim.

Ground 1(c)

Defendants did not attempt to mitigate by any
representation to the Income Tax Department, the
Plaintiff's liability to tax on the Return made by
Defendants' Managing Director. Defendants are es-
topped by that representation and by their subse-
quent conduct.

30

Francois contra

As to the Minute Book, Exhibits "7" and "8"
Plaintiff never expressly stated his objection to
the passage in the Minutes referred to. Minutes
were produced to show Directors had never assented
to the 1/3rd share claimed by Plaintiff.

Companies Ordinance Cap.193 Sec. 74.

Fireproof Co. 1916 2 Ch. p.142.

In this case there is no erasure. The Minutes
were written in pencil and then written over with
ink. Exhibit "M" shows that Statement of Accounts
was put up to Directors (paragraph 10). There had
been no decision at that stage.

40

Exhibit "X" (p.121) does not suggest that the meeting in April had passed a resolution for payment to Plaintiff. He refers to the Managing Director's letter, but not to a sanction by the Board.

Solomon v. Solomon 1897 A.C. 22.

10 Exhibit "10" - Minutes of Board of 31st October 1949 are not challenged. Board decided not to concern itself with matters before its time. Plaintiff present at these meetings. Did not protest that his remuneration had already been settled. The claim is on an account stated. Plaintiff says he was not on salary during 1948 - 1949, but at p. 9 the account on which he claims shows salary 1/4/48 to 31/3/49.

Having sued for this, submits Plaintiff is not entitled to 1/3 share of profits. P.21 - Plaintiff said he had no salary.

20 The account stated is only binding on Defendants as to the salary which Managing Director had authority to pay. Suspense Account is not an account stated. Statement C is stated to be in respect of goods unrealisable.

Adjourned 2 p.m.

Resumed at 2 p.m.

Francois -

Refers Article 11 - Articles of Association.

30 Plaintiff was already an employee at a salary. To avail himself of Article 11 it must be clear that he was given a new office by appointment. Article 11 is only concerned with remuneration.

Article 12

C/F Cap.193 - Table A.

Article 12 of the Defendant Company alone provides for remuneration by share of profits. No such provision in Article 11.

Re George Newman & Co., 1895 1 Ch. 674.

Lockhart v. Moldacot Pocket Sewing Machine Co. Ltd.
5 T.L.R. 307.

40 Burden on Plaintiff to satisfy Court that Article 11 was complied with - that his remuneration was sanctioned by the Board of Directors. Two Directors cannot meet to share the profits of the Company to extent of 2/3 and hope to get sanction of shareholders.

In the West African Court of Appeal.

No.17.

Judge's Notes of Arguments.

23rd, 24th and 25th January, 1956

- continued.

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- continued.

Fiduciary capacity of shareholders. Further notice convening meeting should show purpose for which meeting convened, namely to sanction remuneration to a Director.

Normandy v. Ind. Coope & Co., Ltd., 1908, 1 Ch. 84 at p. 95-99.

Exhibit "L" does not specifically state the object of meeting: does not state share of profits was to be considered.

Shareholders' approval necessary where Directors deal with assets of Company. Young v. Naval and Military &c. 1905, 1 K.B. 687 at 689.

10

Notice for meeting to sanction payment to Directors must state purpose in black and white.

Here only occasion where Board met (was at October meeting) to consider terms of service for Plaintiff. The Draft Agreement resulted.

Plaintiff contends that at May meeting, terms were approved by Board. But that cannot be inferred from correspondence. Plaintiff relies on nothing passed by Board to support claim for remuneration.

20

It is not disputed that Company could make terms but they say they did not authorise Exhibits "J1" and "J2". Submits they are not authorised and not binding.

Hutton Mills v. Nkansah 6 W.A.C.A. 42.

Managing Director's writing "J" and sending "J1" and "J2" could not bind Defendants on Stated Account. Finding in Judgment on this point.

As to the Income Tax return, (p.35) it was sent after the May meeting and before the October 1949 meetings. Board never had opportunity to pass on the Balance Sheet before it was sent to the Income Tax Commissioner. Whilst the Return sent to the Income Tax Commissioner included the appropriation, the account laid before the Board did not show the appropriation.

30

As to Craven Ellis v. Cannons Ltd. 1936, 2 K.B. 403, this case is to be distinguished - Plaintiff an employee - no special services - Plaintiff had salary as employee and was paid such salary.

40

I admit the Added Defence is inconsistent with the first defence filed, but Defendants are intended to stand on and do stand on the added defence. Defendants made the offer under a mistake of law.

Exhibits "B" and "JJ" were written by the Company's Solicitor, but on the instructions of the Managing Director, not the Board - But Plaintiff did not accept "B" or "JJ".

In the West African Court of Appeal.

Fact found by trial Judge that balance sheet was not before Directors at April meeting - Burden on Appellant to displace this finding of Court - to show that shareholders and Board considered and sanctioned 1/3.

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Judge's Notes of Arguments.

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- continued.

10 Not a matter of mere inference from papers.

No meeting of Board was held after 31st October, 1949 so Secretary could not have had authority to write Exhibits "JJ" and "B". Burden on Plaintiff to show they were written without authority.

Adjourned 9 a.m. 25th January.

(Intd.) J.H.C.

25th January, 1956

25th January, 1956.

Coram as before

Counsel as before

20 Francois continues -

There has never been a contract. An offer of terms in Exhibit "R" by Managing Director in personal capacity. Offer not accepted. As to Exhibit "S", many things had to be settled before agreement - duration and kind of employment - Exhibit "T" withdraws offer. Exhibit "U" written 5 months after - late for a commercial contract.

Enchill corrects lag between "S" and withdrawal is 5 months.

30 Parties never ad idem.

Throughout Managing Director acted without Board. At law a contract by a Director is not encouraged.

Palmer's Company Precedents, 15th Edition 686.

Q. How is passage cited reconciliable with Article 11 of the Company's articles.

A. Under Article 11 there is employment but no contract. As to notice of meeting for employment, it must specify object of meeting. Kaye v. Croyden Tramways Co., 1898, 1 Ch. 358.

40 The notice Exhibit "L" was for a meeting which proved abortive as the additional Directors were not qualified to sit. Exhibit "L" alone gives some

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notice of a proposed discussion. The business at that meeting was null and void. That is Exhibit "8", the Minutes that are challenged. It follows that if there was no power to contract and the meeting was irregular, the letters alone remain for consideration.

Exhibit "JJ" does not commit Defendants - not an admission against Company.

Letters were signed by Secretary but do not bind Company. A Secretary cannot contract for Company.

10

Palmer's Company Precedents 15th Edition p.72.

No resolution was passed at meeting of 30th October for Plaintiff's share of profits. Plaintiff was present, must be taken to have known no resolution passed.

Palmer's supra p.73. Howard v. Patent Ivory &c. 1888, 38 Ch.D. 156.

Goods or Cash

No admission that Plaintiff is entitled to share of profits, but if it is held that the letters bind Company, question is what is payable.

20

Plaintiff cannot approbate and reprobate - Has accepted salary - Statement A, p.9. Drawings from Bank.

Having elected to take salary, cannot claim share of profits. Exhibit "BB" - share must be based on current earnings. There was no profit - Goods were depreciated. If Defendants made an offer it was only as to share of goods. Exhibits "B" and "JJ" - offer was never accepted.

30

But £3,571.14.8d. is not the true figure. It is only a figure for value of goods. Lockhart v. Moldacot 5 T.L.R. 307 at 308.

Article 11 of Articles is no arrangement by Directors in this case. If all assets are locked up in goods, there can be no sharing of profits until goods are realised in cash. It would be ultra vires to pay profits out of capital.

Enchill in reply.

40

Plaintiff consistently said he was not claiming salary. But in Exhibit "S" it was proposed he could draw on account of 1/3 share.

The Statement A shows he drew an account of

his share of profits. Plaintiff is not claiming both salary and share of profits. Had to live - received advances on account his share.

In the West African Court of Appeal.

No provision for £500 salary for period 1948-49. In that period was entitled to share of profits. Strictly Plaintiff cannot support Judgment for £645.11/- as balance of arrears of salary as to £500. Plaintiff entitled to £145.11/- as for previous year. But the £500 would be part of share of profits due.

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Judge's Notes of Arguments.

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- continued.

10

Claim is in alternative - claim on quantum meruit. Court will determine what Plaintiff is entitled to.

Goods or value

Exhibit "S" contemplates nett profit at end of financial year on overall transactions.

I agree that in accounting goods may be valued at selling price or at cost. Inland R.C. v. Cock, Russell & Co., 1949 2 All Eng. Repts. 889.

20

Plaintiff has sued Defendants upon the Balance Sheet it has declared. Under Article 11 the Directors can arrange - they did arrange and permitted Plaintiff to draw on account of his 1/3rd share.

Meeting of May, 1949

Article 86 Companies Ordinance Cap 193 validates acts done at this meeting. In any event a further meeting was held to regularise May meeting.

30

Art. 11 of Articles of Association prevails over 69 of Table A - Plaintiff says he did not vote at the meeting. There was a due summons to the May meeting. Matter to be discussed stated; to remunerate a director. In Exhibit "10" there is a decision of the Board to recommend the Plaintiff's remuneration.

40

Solomon v. Solomon is modified by Parker v. Cooper. A decision of the Company agreed to by members although they have not met in the act of the Company. Managing Director said he would submit matter to Board. The Board recommended 1/3rd share. October meeting was also a meeting of the Company. Finding of fact in judgment that meeting failed to commit itself overlooks inference to be drawn from unsatisfactory recording of Minute Book.

C. A. V.

(Intd.) J.H.C.

In the West
African Court
of Appeal.

No. 18.

JUDGMENT.

No. 18.

IN THE WEST AFRICAN COURT OF APPEAL
GOLD COAST SESSION

Judgment.

7th February,
1956.

Coram:

Coussey, P.
Korsah, J.A.
Ames, Ag. J.A.

7th February, 1956.Civil Appeal No.12/55.

G. STANLEY LEWIS Plaintiff-Appellant

v.

THE CHEAPSIDE SYNDICATE LTD.,
of P.O. Box 208, Accra per
their Managing Director
George Francois Defendants

10

JUDGMENT

AMES, Ag. J.A.: I doubt if this case would have occurred had not the Appellant and the Respondent Company's Managing Director, who were friends, living together and sharing the same food, quarrelled and fallen out.

The Company (which I will call the Respondents) is an incorporated Company, with a small capital, and very few shareholders.

20

The Appellant was both a director and an employee of the Respondents. He had worked for them for 19 years, and was, at the material time, employed as their agent for the Accra District. His employment was terminated in February, 1950. It does not seem that anything has been done to terminate his directorship.

The case concerns his remuneration for the year 1948-49. (The accounts were from April 1st to March 31st). In the previous years he had been on a salary, which in 1947-48 was £400. He was dissatisfied with this and during 1948-49 there were negotiations by him with the Managing Director for some better remuneration. His case is that the negotiations ended in agreement to remunerate him by payment of 1/3rd share of the net profits.

30

After his dismissal, he wrote asking to be paid arrears of salary up to the end of the year 1947-48, and £3,571.14.8d. for 1948-49. This was in February 1950. On the 23rd of that month the Respondents wrote to his Solicitor (the letter is Exhibit "J") sending him three accounts. One of these was the "salary account of George Stanley Lewis" for the years 1947-48, 1948-49 and 1949-50. This account (Exhibit "J1") shows a balance of £628.17.2d. due to the Appellant at the end of the first year; £645.11.0d. due at the end of the next year (the one in dispute); and £960.18.10d. at the end of the last year (in which his appointment was terminated). The second account was his "Leave advance account" and is immaterial. The third (Exhibit "J3") was his "Suspense Account", and has one entry in it only, on the credit side which reads:-

10

20

"31/3/49. 1/3rd profits of £10,715.4.7d. being goods in stock reckoned at cost price and unrealisable at cost price
£3,571.14. 8".

From this point I shall leave out the shillings and pence, as I have now mentioned them all once.

30

I presume that the accounts for the year were drawn up by the Managing Director, who signed them. They do not seem to have been audited. 1/3rd of the profits is accepted by both sides to have been £3,571. But there is a dispute as to what was meant by profits. Apparently the Company was short of cash at the end of the year, and had a lot of goods in stock which were either unsaleable or saleable only at less than cost price. In the accounts these were taken at cost price, and not at their market valuation at the end of the year. The Plaintiff wants, of course, £3,571. in cash. The Defendants say that his share was in part of the stock, up to £3,571 at cost price, but now deny being under any legal liability to him for it.

40

The Plaintiff's claim was on "an account stated", relying on these two accounts ("J1" and "J3") and his writ claimed the £645 (and not the £960) of the salary account, and the £3,571 of the suspense account. This is illogical because both these figures refer to 1948-49. To be logical he ought to have claimed only the one or the other: but (as he said in evidence) he claimed both because both were admitted to be due in the statement of accounts.

In the West
African Court
of Appeal.

No.18.

Judgment.

7th February,
1956

- continued.

In the West
African Court
of Appeal.

No.18.

Judgment.

7th February,
1956

- continued.

He also claimed interest on the amount due.

The Respondents filed a statement of defence in April, 1951. They admitted the £960 of the salary account and stated that a cheque had been sent to the Plaintiff's Solicitor in settlement, but not accepted and returned (which it had been).

As to the £3,571 they pleaded:-

"4. The Defendants further aver that the Plaintiff's recommended share of profits was in goods and a list of goods showing quantities and values was prepared and forwarded to his said Solicitor under registered cover dated the 23rd day of February 1950. Plaintiff was requested to collect his goods".

10

"7. The Defendants are prepared to account for the Plaintiff's goods sold through their organisation and for the residue handed to an Auctioneer".

So it would seem that in April, 1951, the Appellant could have had both the £960, being salary, and the goods in stock which represented (according to the Defendants) the £3,571, although their market value was then much less. However, he did not accept that.

20

In July, 1951, he unsuccessfully moved the Court for an order for judgment on the pleadings for the total of £4,413 claimed, with interest.

In January, 1952, the Respondents gave notice that at the hearing they would ask for leave to amend their defence by adding the following paragraph:-

30

"10. By Clause 21 of the Articles of Association of the Company the Assets belong to the Shareholders and

"By Clause 61 of Table A of the Companies Ordinance Cap 156 adopted by the Company the remuneration of the directors shall from time to time be determined by the Company in general meeting. The one-third share of profits claimed by the Plaintiff is without authority and the offer of the Managing Director which was withdrawn and upon which the Plaintiff's claim is based is ultra vires the Company and void".

40

The admissions of their paragraphs 4 and 7 were not altered in any way or at any time up to the end of the trial.

The trial started in March 1952. There is no entry in the record of leave having been given to add the additional paragraph 10; but the case proceeded on the basis that it was added. In September, at the end of the case, and after both Counsel had addressed the Court, the Appellant asked for and was given leave to amend his claim by adding an alternative claim for £3,571, "for work and labour done for the Defendants" for the period 1948-49.

10

In October, 1952, judgment was given for the Appellant for the £645 with interest at 5% per annum, but he failed as to the £3,571.

In November, 1952, he gave notice of appeal against the decision about the £3,571.

I do not know why the appeal has taken so long to come before this Court; but it is a great pity that in the intervening three years and over the parties have not had the good sense to come to a compromise.

20

With all respect to whoever drew up the several grounds of appeal, I do not think that they are as clearly cut as they should have been and some tend to be argumentative. They complain of findings of fact, and misdirection - in particular as to whether or not there was a contract to remunerate the Plaintiff with 1/3rd share of the net profits and whether or not the defence pleaded in the added paragraph 10 was good in law.

30

In his judgment, the learned trial Judge said (about the £3,571):-

"The question at issue before me is whether
 "there was an offer and acceptance between the
 "parties on the allocation of the one-third share
 "of net profits. The next question raised by the
 "Plaintiff is that the Company was bound by the
 "Appropriation in the Balance Sheet to the Income
 "Authorities and by the letter sent to the Solicitor
 "for Plaintiff and whether the Managing Director
 "can on its own authority bind the Company's
 "employees or Directors without the sanction of
 "the Shareholders convened at a General Meeting".
 and his findings were:-

30

"The Shareholders, at a meeting duly convened
 "for the purpose, can, if they think proper, remunerate
 "directors for their trouble or make presents for their
 "services out of assets properly

In the West African Court of Appeal.

No.18.

Judgment.

7th February, 1956

- continued.

In the West
African Court
of Appeal.

No.18.

Judgment.

7th February,
1956

- continued.

"divisible amongst the shareholders themselves.
"The net profits of the Company I find is assets
"in the hands of the Company and can be dealt with
"by the Shareholders or by the Directors under
"their powers.

"I am constrained to hold in the case before
"me that the Plaintiff's remuneration as to the
"one-third share of net profits for the financial
"year 1948-49 was never adopted by any lawful au-
"thority under the Company's Articles of Associa-
"tion - Exhibit '11'.

10

"I find also the meeting held on 31st October,
"1949, failed to commit itself to the suggestion
"and held out, on the question, the opinion in an
"advisory capacity in respect of the one-third
"share to Plaintiff.

"I therefore find as on the evidence before
"me that there is no contract subsisting between
"the parties on the one-third share. No resolution
"has been made and passed at a duly convened meet-
"ing on the subject to entitle the Plaintiff to his
"claim on the writ in respect of the £3,571.14.8d.
"The Plaintiff fails on that claim".

20

In my opinion it was wrong to hold, as the
learned Judge seems to have held, that the £3,571
was remuneration of a director within the meaning
of Article 12 of the Company's Articles of Associa-
tion. It was not a reward for "special services"
or for "a special journey". If it was due at all,
it was due as the remuneration of the Appellant in
his employment as District Agent.

30

Article 11 provides:-

"11. A Director may hold the office or place
"of profit as Managing Director or other employee
"of the Syndicate in conjunction with his direc-
"torship and may be appointed thereto upon such
"terms as to remuneration tenure of office or
"otherwise as may be arranged by the Directors".

I see nothing in this or any other article to
prevent the directors from arranging any sort of
remuneration, whether by salary, commission on
sales, share of profits or otherwise. Consequently
this particular arrangement did not require the
authority of the Company. It required the author-
ity of the directors.

40

Counsel for the Appellant argued that the
Managing Director's letter of the 15th October,

1948, was the embodiment of and acceptance of terms of employment which had been suggested by the Appellant during the preliminary negotiations. But is clearly nothing more than an offer, which was withdrawn in March, 1949. The matter was then referred to the Board of Directors, and up to that point there was no offer and acceptance of new terms of employment. Of course had there been, the Board's approval would still have been necessary.

10 Counsel for the Appellant relies on the meetings of the Board held on the 1st May, 1949, and the 31st October, 1949. There is, however, no clear indication in the minutes of the meetings (Exhibits 8 and 10) that the Board approved of the payment of £3,571 or 1/3rd share of the profits to the Appellant as his remuneration qua District Agent for the year 1948-49. Counsel for the Appellant relies on the first note in the minutes of the October meeting that the balance sheet as circulated was taken as read. It is disputed that
20 the balance sheet as circulated contained any appropriation of £3,571 to the Appellant as his remuneration. I think the probabilities are that it did not. Even if it did, the rest of the minutes show that the matter was still under debate, and at the end of the meeting one director suggested that the Board could not competently deal with it (for what seems a very insufficient reason) and advised that the offer of 1/3rd of the net profits
30 formerly made should be honoured, but no decision appears to have been taken at that meeting.

At this date, therefore, there does not seem to have been any binding "arrangement" made by the Board of Directors as to remuneration of the Plaintiff for 1948-49 in variation and betterment of the Agreement on which he was employed up till then, and which consequently continued to be in force. (This was not a written agreement).

40 Had the matter ended there; I would have come to the same decision as the learned trial Judge. But the matter does not end there. It goes further. Unfortunately the learned Judge did not consider these further matters.

There are the letters written by the Secretary dated 10th and 15th February, 1950, (Exhibits "JJ" and "B") to the Plaintiff and to his Solicitor respectively. The one refers to the amount standing in the Plaintiff's name in the Suspense Account and the other states that a start has been made "to

In the West African Court of Appeal.

No.18.

Judgment.

7th February, 1956

- continued.

sic.

In the West
African Court
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7th February,
1956
- continued.

arrive at your 1/3 profits which formed part of
"our ground stock on the 31st of March 1949".

Counsel for the Respondent argued that those
letters do not necessarily bind the Defendants.
But they purport to be written by the Secretary
for the Company on the directions and instructions
of the Company. No evidence was called to show
that these letters were not what their prima facie
appearance indicates them to be.

The next and last thing to which I shall re-
fer seems to me to conclude the matter. I refer
to the statement of defence filed in April, 1951,
by the Respondents, in particular to paragraphs 4,
5 and 7. I have already set out paragraphs 4 and
7. Paragraph 5 states that the Plaintiff made no
attempt to collect his goods. These are not the
Pleadings of the Managing Director or of the Board
of Directors but of the Cheapside Syndicate Ltd.

If Pleadings are to mean anything and are to
have any significance, what these three paragraphs
mean can be put like this :-

As regards the Plaintiff's claim for £3,571,
being 1/3rd share of the profits, we aver that
this was not a monetary share but existed in goods,
and we sent him a list of the goods and asked him
to collect them but he did not. We have sold some
and are prepared to account to him for the amount
realised, and we will hand the rest of them over
to an auctioneer for sale for the Plaintiff's
benefit.

And their significance is that they are the
Cheapside Syndicate's answer to the claim, the
ground on which they fought the claim and on which
they stand or fall.

In my opinion the Respondents cannot now re-
treat from that position. It was their considered
defence, and deliberately so framed, as is clear
from its being in the same tenor as the Secretary's
letters of the 10th and 15th of February.

I would allow the appeal and order that the
case be sent back to the Court below to ascertain
and determine the market value on the 31st of March,
1949, of the goods referred to in the account (Ex-
hibit "J3") of that date headed "George Stanley
Lewis: Suspense Account" and therein shown as being
of a cost price of £3,571.14.8d. This may not be
easy to ascertain now; but it will be possible even
if it means referring the question to a competent

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accountant as referee to examine the books, invoices and so on and go into all the figures and report to the Court below.

In the West African Court of Appeal.

10 When the figure has been determined, if it exceeds £500 (which it will do judging by what the Managing Director said towards the end of his evidence in chief) that amount is to be deducted from it and the judgment for £645.11.0d. given in the Court below in favour of the Appellant is to be increased by the addition of the amount of the balance after the deduction of the £500; and there will likewise be interest on the amount at 5% from the date of the judgment appealed from.

No.18.

Judgment.

7th February, 1956

- continued.

20 A word of explanation is perhaps necessary here. I started by saying that it was illogical for the Appellant to have claimed both salary and a share of the profits for the year in dispute. £125.11.0d. of the £645.11.0d. was the accumulated balance of previous years. £500 is what the Respondents included in their account as his salary for the year in dispute. (There is no evidence of any agreement to increase his salary for this year from £400 to £500. I think this figure of £500 must have been because one of the terms of the offer of 15th October 1948 (Exhibit "S") was that the Appellant could draw up to £500 against his share of the profits).

30 Not only was it illogical to have claimed both but in my view it would be inequitable to give judgment for him for both. He himself said, in cross-examination, "I have no salary apart from the 1/3rd share of the profits". Section 86 of the Courts Ordinance provides that "..... in all "matters in which there is any conflict or variance "between the rules of equity and the rules of common law with reference to same matter, the rules "of equity shall prevail". That is why I think the £500 should be deducted.

(Sgd.) C. G. Ames, Ag. J.A.

40 I concur

(Sgd.) J. Henley Coussey, P.

I concur

(Sgd.) K. A. Korsah, J.A.

Bentsi-Enchill for the Appellant
Lokko (Francois with him) for the Respondents.

In the West
African Court
of Appeal.

No. 19.

COURT NOTES OF JUDGMENT.

7th February, 1956.

No.19.
Court Notes of
Judgment.
7th February,
1956.

IN THE WEST AFRICAN COURT OF APPEAL,
GOLD COAST SESSION

Coram Coussey, P., Korsah and Ames, JJ.A.
Civil Appeal No.12/55.

G. STANLEY LEWIS

v.

CHEAPSIDE SYNDICATE LTD.

10

Judgment of Ames, Ag. J.A. delivered, allowing appeal and remitting case to Court below with directions. Costs of appeal to Appellant allowed at £81.11/-. The order for costs in the Court below is set aside and it is ordered that the Plaintiff do tax costs on £3,571.14.6d. or on the ultimately found due to the Plaintiff upon the further enquiry ordered and the Defendant do tax costs on £500.

(Sgd.) J. Henley Coussey, P.

20

No.20.

Notice of Motion
for Final Leave
to Appeal to
Privy Council.
15th May, 1956.

No. 20.

NOTICE OF MOTION FOR FINAL LEAVE TO APPEAL TO
PRIVY COUNCIL

IN THE WEST AFRICAN COURT OF APPEAL
GOLD COAST SESSION, ACCRA.

BEFORE A SINGLE JUDGE OF APPEAL

W.A.C.A. Civil Appeal
No.12 of 1955

G. STANLEY LEWIS, Plaintiff-Appellant-Respondent

v.

THE CHEAPSIDE SYNDICATE
LTD., of P.O. Box 208,
Accra per their Managing
Director, George Francois,
Defendants-Respondents-Appellants

30

PLEASE TAKE NOTICE that this Honourable Court

will be moved by CHRISTIAN CARL LOKKO of Counsel for The Cheapside Syndicate Ltd., the Defendants-Appellants herein and on their behalf on Monday the 28th day of May, 1956 at 9 o'clock in the forenoon or as soon thereafter as Counsel can be heard for an Order granting them Final Leave to Appeal from the Judgment dated on or about the 7th day of February, 1956, of this Honourable Court to Her Majesty's Privy Council in England, conditions imposed by the Court on the 12th day of March, 1956, having been fully complied with within the prescribed period of three months And/Or for such further or other Order as to the Court shall seem meet.

10

In the West African Court of Appeal.

No.20.

Notice of Motion for Final Leave to Appeal to Privy Council.

15th May, 1956
- continued.

DATED at Accra this 15th day of May, 1956.

(Sgd.) G.R.M. Francois
for C.C. Lokko, Esqre.,
SOLICITOR FOR DEFENDANTS-
APPELLANTS.

20 The Registrar,
West African Court of Appeal,
Accra.
And To,
G.S. Lewis, Esqre.,
The Plaintiff-Appellant herein of Accra.

No. 21.

COURT NOTES OF ORDER GRANTING FINAL LEAVE
TO APPEAL TO PRIVY COUNCIL

28th May, 1956.

30

IN THE WEST AFRICAN COURT OF APPEAL
GOLD COAST SESSION.

Coram Baker, Ag. J.A. sitting as a single Judge of Appeal.

Civil Motion No. 36/56.

G. STANLEY LEWIS

v.

THE CHEAPSIDE SYNDICATE LTD. etc.

No.21.

Court Notes of Order granting Final Leave to Appeal to Privy Council.

28th May, 1956.

In the West
African Court
of Appeal.

No.21.

Court Notes of
Order granting
Final Leave to
Appeal to Privy
Council.

28th May, 1956
- continued.

Motion on notice by the Defendants for final leave
to appeal to Privy Council.

Mr. Lokko (Francois with him) for Applicants.

No appearance for Respondent.

Mr. Lokko with Mr. Francois -

Order as prayed.

(Sgd.) Francis H. Baker,

Ag. J.A.

E X H I B I T S

"11"

MEMORANDUM AND ARTICLES
CHEAPSIDE SYNDICATE LTD.

3038/38

INCORPORATED UNDER
THE COMPANIES ORDINANCE NO.14 of 1906 OF
THE GOLD COAST COLONY.Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.15th September,
1928.SYNDICATE LIMITED BY SHARES.

10

MEMORANDUM OF ASSOCIATION OF THE
CHEAPSIDE SYNDICATE LIMITED

I.

The name of the Syndicate is "THE CHEAPSIDE SYNDI-
CATE LIMITED".

II.

The registered office of the Syndicate is situate
at Accra in the Gold Coast Colony West Africa.

III.

20

The OBJECTS for which the Syndicate is established
are:-

1. To carry on the business of general merchants
produce dealers warehousemen removers storers car-
riers of whatsoever kind by river railway or
otherwise.

30

2. To carry on any other business (whether man-
ufacturing or otherwise) which may seem to the
Syndicate capable of being conveniently carried on
in connection with the above or calculated direct-
ly or indirectly to enhance the value or render
profitable any of the Syndicate's properties or
rights.

3. To acquire or undertake the whole or any part
of the business property and liabilities of any
person or company carrying on any business which
the Syndicate is authorised to carry on or posses-
sed of property suitable for the purposes of this
Syndicate.

40

4. To enter into (partnership or into) any ar-
rangement for sharing profits union of interests
co-operation joint adventure reciprocal or other-
wise with any person or company carrying on or
engaged in or about to carry on or engage in any

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.

15th September,
1928

- continued.

business or transaction capable of being conducted so as directly or indirectly to benefit this Syndicate. And (to lend money to guarantee the contracts of or otherwise assist any such person or company and) to take or otherwise acquire shares and securities of any such company and to sell hold re-issue with or without guarantee or otherwise deal with the same.

5. To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Syndicate or carrying on any business capable of being conducted so as directly or indirectly to benefit this Syndicate.

10

6. To promote any company or companies for the purpose of acquiring all or any of the property rights and liabilities of this Syndicate or for any other purpose which may seem directly or indirectly calculated to benefit this Syndicate.

7. Generally to purchase take on lease or in exchange hire or otherwise acquire any real and personal property and any rights or privileges which the Syndicate may think necessary or convenient for the purposes of its business (and in particular any land buildings easements machinery plants and stock-in-trade).

20

8. To construct maintain and alter any buildings or works necessary or convenient for the purposes of the Syndicate.

9. To invest and deal with the monies of the Syndicate not immediately required in such manner as may from time to time be determined.

30

10. To lend money to such persons and on such terms as may seem expedient and in particular to customers and others having dealings with the Syndicate and to guarantee the performance of contracts by any such persons.

11. To borrow or raise or secure the payment of money in such manner as the Syndicate shall think fit and in particular by the issue of debentures or debenture stock perpetual or otherwise charged upon all or any of the Syndicate's property (both present and future) including its uncalled capital and to purchase redeem or pay off any such securities.

40

12. To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of

any of the shares in the Syndicate's capital or any debenture stock or other securities of the Syndicate on in or about the formation or promotion of the Syndicate or the conduct of its business.

13. To draw make accept indorse discount execute issue promissory notes bills of exchange bills of lading warrants debentures and other negotiable or transferable instruments.

10 14. To sell or dispose of the undertakings of the Syndicate or any part thereof for such consideration as the Syndicate may think fit and in particular for shares debentures or securities of any other Company having objects altogether or in part similar to those of this Syndicate.

15. To sell improve manage develop exchange lease mortgage enfranchise dispose of turn to account or otherwise deal with all or part of the property and rights of the Syndicate.

20 16. To do all or any of the above things (in any part of the world) as Principals Agents Contractors Trustees or otherwise and by or through Trustees Agents or otherwise and either alone or in conjunction with others.

17. To found and establish office or offices in London and elsewhere for the purpose of safeguarding and enhancing the Syndicate's interests.

30 18. To purchase lease or otherwise acquire hold sell develop manage work exchange turn to account dispose of and deal in lands concessions estates minerals jewellery plantations and agricultural forest and trading rights and to cultivate grow cure prepare for market manufacture buy sell export and deal in cocoa palm kernels oil tobacco hides coconuts flax spices grain coconut fibre copra pepper rubber gums and all agricultural and West African products wheresoever they may be purchased grown and obtained.

40 19. To acquire produce by cultivation manufacture or otherwise and treat deal in or otherwise turn to account any vegetable or mineral products by products whatsoever.

20. To build make contract equip maintain improve alter any work manufactures mills buildings erections roads tramways carts waggons ships boats barges and other works matters and things of any kind which may deemed expedient for the purposes of the Syndicate. To acquire rights over surface or

Exhibits

"11"

Memorandum and Articles
Cheapside
Syndicate Ltd.

15th September,
1928

- continued.

sic.

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.
15th September,
1928
- continued.

subsoil for the purposes of mining exploring allotting and disposing of such rights in whole or part as the Syndicate may be disposed.

21. To purchase build charter affreight hire and let out for hire or for chartering and affreightment and to otherwise obtain the possession of and sell and dispose of and employ or turn to account ships lighters launches boats and vessels of all kinds and locomotives waggons cars and other rolling stock and to otherwise provide for the conveyance of goods and moveable property of all kinds and to purchase or otherwise acquire any shares or interests in any ships or vessels or in any companies possessed of or interested in any ships or vessels and to carry on the business of merchants carriers wharfingers manufacturers vanmen lighter-men factors and brokers in all or any of the respective branches. 10

22. To cultivate manage and superintend estates and properties of all kinds in any part of the Gold Coast Colony and elsewhere in Africa Europe Asia America and elsewhere and to act as agents for the purchase sale improvement development and management of property including concerns and undertakings complete or incomplete and to transact any other business of any kind. 20

23. To purchase or otherwise acquire institute enter into carry on assist or participate in financial commercial mercantile industrial and manufacturing business works contracts undertakings and financial operations of all kinds and to carry on business as importers and exporters from and to any country or place. 30

24. To make donations to such persons and in such cases and either of cash or other assets as may be thought directly or indirectly conducive to any of the Syndicate's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this Syndicate and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for a public general or other object and to aid in the establishment and support of associations and religion for the benefit of persons employed by or having dealings with the Syndicate and in particular friendly or other benevolent societies and to grant pension either by way of annual payment or a lump sum to any officer or servant of the Syndicate. 40

25. To manage supervise or control the business or operations of any company or undertaking and for that purpose to appoint and remunerate any Directors Accountants or experts or agents.

26. To create promote found and establish any private or public Syndicate or company to further on the objects aims and ambitions of this Syndicate.

10 27. To enter into any arrangement with any Government or authorities supreme local or otherwise and to obtain from any such Government or authority all rights concessions and privileges that may seem conducive to the Syndicate's objects or of them.

20 28. To do all such other things as are incidental or conducive to the attainment of the above objects and so that the word "Syndicate" in this clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in West Africa the United Kingdom or elsewhere and so that the objects specified in each paragraph of this Clause shall except when otherwise expressed in such paragraph be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Syndicate.

IV.

The liability of the members is limited.

V.

30 The Capital of the Syndicate is £5000 divided into Five thousand (5,000) Ordinary Shares of One pound (£1) each with power to increase or reduce the Capital to consolidate or sub-divide the Shares into Shares of larger or smaller amounts and issue all or any part of the original capital for the time being unissued or any additional capital as fully paid or partly paid shares and with any special preferential rights or privileges or subject to any special terms or conditions and either with or without any special designation and also from time to time to modify any such rights privileges terms conditions or designations in accordance with the regulations for the time being of the Syndicate.

40

We the several persons whose names addresses and descriptions are hereunder subscribed are desirous of being formed into a Syndicate in pursuance of this Memorandum of Association and we

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.

15th September,
1928

- continued.

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.
15th September,
1928
- continued.

respectively agree to take the number of shares in the Capital of the Syndicate set opposite our respective names.

| | NAMES ADDRESSES AND DESCRIPTION OF SUBSCRIBERS. | Number of Shares taken by each subscriber | |
|--------|---|---|----|
| (Sgd.) | George Francois, Merchant Tafo | 10 | |
| " | Mercy Awuah, Trader, Tafo | 100 | |
| " | Beatrice Lokko (Mrs.) Tadu, Accra | 2 | 10 |
| " | Florence A. Nehon, Trader | 1 | |
| " | Alice Addo, Trader, Accra | 1 | |
| " | Emmanuel Prempeh Fiscian, Trader, Accra | 1 | |
| " | Edward Decardi Mellion, Trader, Accra | 1 | |

DATED THE 15th day of SEPTEMBER, 1928.

Witness to the above signatures:-

(Sgd.) C.C. Lokko,
Solicitor,
Accra,
Gold Coast Colony.

3039/28.

INCORPORATED UNDER
THE COMPANIES ORDINANCE NO. 14 of 1906
OF THE GOLD COAST COLONY

SYNDICATE LIMITED BY SHARES.

ARTICLES OF ASSOCIATION OF THE
CHEAPSIDE SYNDICATE LIMITED.

PRELIMINARY

1. Subject as hereinafter provided the regulations contained in the Table marked "A" in the First Schedule to the Companies Ordinance No.14 of 1906 (hereinafter called Table "A") shall apply to this Syndicate as also the regulations herein contained.
2. The first Directors shall be

FRANCIS THOMAS DOVE
GEORGE FRANCOIS and
CHRISTIAN CARL LOKKO.

40

3. The Secretary shall be appointed by the Directors.
4. The minimum subscription on which the Directors shall proceed to allotment is Two hundred and fifty (£250) Shares.
5. The number of Directors shall not exceed three (3)

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.

15th September,
1928

- continued.

D I R E C T O R S

- 10 6. The qualification of a Director shall be the holding of at least Ten (10) Shares of £1 each
7. Every such Director may act before acquiring his qualification but shall acquire the same within ten (10) days from the date of the filing of these Articles.
8. There shall be paid to each Director by way of remuneration Ten Pounds (£10) per annum for the first year with power to the Directors to increase the same by resolution but not to exceed One hundred pounds (£100) per annum.
- 20 9. Vacancies on the Board of Directors shall be filled by nomination of the Shareholders at a General Meeting.
10. The Directors shall be entitled to be paid their actual travelling expenses incurred in connection with the Syndicate.
11. A Director may hold the office or place of profit as Managing Director or other employee of the Syndicate in conjunction with his directorship and may be appointed thereto upon such terms as to remuneration tenure of office or otherwise as may be arranged by the Directors.
- 30 12. If any Director shall be called upon to perform special services or to make a special journey for any purpose of the Syndicate the Syndicate shall remunerate such Director therefor by a fixed sum or by a percentage of profits or otherwise as the Syndicate shall determine and such remuneration may either be in addition to or in substitution of his share in the remuneration hereinbefore provided for Directors.
- 40

sic

TERM OF OFFICE OF DIRECTORS

13. The first Managing Director of the Syndicate shall be GEORGE FRANCOIS of Tafo whose term

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.
15th September,
1928
- continued.

of Office shall be for three (3) years with option of renewal and such powers and remuneration as shall be agreed upon.

S E A L

14. The Syndicate shall have for use in the Gold Coast Colony or elsewhere an Official Seal which shall be a facsimile of the Common Seal of the Syndicate.
15. Such seal may be affixed in the presence of two (2) Directors and of the Secretary or such person as the Directors may appoint for the purpose and such Directors and Secretary or other person or persons as aforesaid shall sign every instrument to which the seal of the Syndicate is so affixed in their presence. 10
16. The Managing Director or any other person or persons hereinafter authorised in writing under the Common Seal of the Syndicate shall be and are hereby authorised to affix such Seal to any deed or document to which the Syndicate is party in the Gold Coast Colony or elsewhere. 20

CHAIRMAN.

17. FRANCIS THOMAS DOVE shall be Chairman for life of the Syndicate with such powers and remuneration as shall be agreed upon with the option to retire as and when he so desires.
18. The Chairman of the Board of Directors shall be the Chairman of the Syndicate and shall preside at all its meetings when present. In his absence a Director shall be appointed to perform the duties thereof and in the event of the Chairman being ill or unwilling to act at any meeting the members present shall choose one of the Directors present to be Chairman at that meeting. Failing the presence of any Director the Shareholders present shall appoint one of their members to preside at the meeting. 30

S H A R E S

19. The share capital of this Syndicate is Five thousand (5,000) nominal shares of One Pound (£1) each paid up as follows:- Five shillings (5s) per share on application Five shillings (5s) on allotment and the balance as and when called upon. 40
20. The Directors may allot and issue fully or partly paid up shares in the Syndicate as

payment or part payment for any property or rights acquired or for services rendered or to be rendered to the Syndicate or for money and such shares may be issued and if so issued shall be deemed to be fully paid or partly paid shares save as otherwise provided by any agreements. The Directors may allot all shares to such persons and on such terms and conditions as they may think fit and in particular may by agreement give to any person or persons the right or option of requiring at a future date that an allotment shall be made to him or them of any share or shares at par or at such a premium as may be agreed. The Syndicate may make arrangements on the issue of Shares for a difference between the holders of such shares in the amount of Calls to be paid and the time of payment of such Calls.

Exhibits

"11"

Memorandum and
Articles
Cheapside
Syndicate Ltd.

15th September,
1928

- continued.

10

20

C A P I T A L

21. The Capital of the Syndicate is Five Thousand Pounds (£5,000) divided into Five thousand (5,000) Ordinary Shares of One pound (£1) each. The holders of the shares shall be entitled to have the profits of the Syndicate distributed between them according to the number of Shares allocated to them for which every previous Call has been paid but no profit shall be paid on any shares on which a Call is in default until such default has been made good.

30

IN WITNESS WHEREOF WE THE UNDERSIGNED have subscribed our names this 15th day of September, 1928.

NAMES ADDRESSES AND DESCRIPTION OF SUBSCRIBERS

| | | |
|--------|---|-----|
| (Sgd.) | George Francois, Merchant, Tafo | 10 |
| " | Mercy Awuah, Trader, Tafo | 100 |
| " | Beatrice Lokko (Mrs.) Tudu Accra | |
| " | Florence A. Nehon, Trader, Accra | |
| " | Alice Addo, Trader, Accra | |
| " | Emmanuel Prempeh Fiscian, Trader, Accra | |
| " | Edward Decardi Melion, Trader, Accra. | |

40

DATED THE 15th DAY OF SEPTEMBER, 1928.

Witness to the above signatures :-

(Sgd.) C.C. Lokko
SOLICITOR, ACCRA
GOLD COAST COLONY.

Exhibits"R"

"R"

LETTER, G. FRANCOIS to G. S. LEWIS

Letter,
G. Francois to
G.S. Lewis.
30th September,
1948.

CHEAPSIDE SYNDICATE, LTD.,

P.O. Box
Accra, Gold Coast Colony,
30th September, 1948.

G.S. Lewis, Esq.,
Cheapside Syndicate Ltd.,
Accra.

My dear Stanley,

10

You brought up the question of the inadequacy of your emoluments Thursday 23rd inst. In a note some time previously I drew up a rough estimate of Cheapside expenditure. In that note I stated that the emoluments of yourself and myself would be revised as soon as things looked better. I am glad that that note preceded your demand for revision. My idea was that revision would be based on the working of the present year 1948-9 and would be effective for the year. Your desire for a revision now is more realistic.

20

You asked for 33¹/₃% of gross profits alternatively 50% of nett profits. To neither demand could I agree. The demand seems to issue from a belief that all or nearly all the earning capacity of Cheapside will be through your individual efforts and not through your position in the team. You said as much. That is a premature assumption.

The disturbances in the Gold Coast in the early part of the year created a set of conditions for Cheapside whereby its major establishment activity in the cocoa field and which I personally directed had to be closed and all funds transferred to Accra trading to avoid a crash in Accra trading. Even so the gap is not bridged and Cheapside is still in the clutches of the Bank, operating on overdraft for which I am personally involved.

30

The point I want to make is that this was a crucial decision taken by me and from this decision it followed that all our available resources have been transferred to and concentrated in Accra trading. The clearing up of the cocoa position for the next six months or so will continue to engage some of my time.

40

Operating on an overdraft there is no scope

beyond your present work into which you are putting a tremendous effort which I take the opportunity here to recognise.

Exhibits

"R"

Letter,
G. Francois to
G.S. Lewis.
30th September,
1948
- continued.

10 I consider a 33-1/3rd% allocation of nett annual profits is a generous allocation to you of what the Company makes. You suggested a higher percentage but with strings attached such as an obligation on your part to invest in the Company. As no obligation of this nature could be enforced
20 I prefer that your 33-1/3rd% should entirely free of any strings. If you find it a fair income and you care to invest in shares in Cheapside you are at liberty to do so. Similarly you can leave any portion of your earnings with Cheapside if you care to. There is no obligation whatever. As remuneration will be on nett profits it would be wise from the very beginning to have an Agreement drawn up recording the percentage and defining nett profits. It would be unwise to leave such matters to
20 memory or understanding.

You suggested that nett profits should be arrived at without taking into account your emoluments and mine. To that I agreed. You stated that your percentage will relieve the Company of any call on its funds so far as you were concerned. You suggested that my investment should not carry the 3% interest.

- (a) Your own investments in the Company carry no interest.
- 30 (b) That a reasonable amount of your 33-1/3% remains in the Company and bears no interest.

The reason for (a) and (b) above is fairly obvious.

The nett proceeds of the Company will therefore be Gross Earnings minus all working expenses but excluding your allocation of profits and any personal drawings by me and any interest charge on my investment.

40 The Agreement I would suggest should also contain the limit of the advances that you may draw pending the ascertainment of the year's nett profits. The Agreement should also contain the usual clauses stipulating period of validity Renewal, restriction of activity during period of Agreement etc.

I may mention that Salary plus a lower percentage of profits, in my opinion, would be a more suitable form of remuneration but I do not press my view.

50

Yours sincerely,
(Sgd.) GEORGE FRANCOIS.

Exhibits

"2"

"2"LETTER, G.S. LEWIS to G. FRANCOIS

30th September, 1948

Letter,
G.S. Lewis to
G. Francois.
30th September,
1948.

George Francois, Esq.,
Cheapside Syndicate Ltd.,
Accra.

Dear Mr. Francois,

This acknowledges your letter of even date.

Nett Profits. I would be obliged if you would kindly let me know what items will constitute "all working expenses". Interest on deposits with the company is a charge which as agreed should continue. All other allowances to either of us, e.g. quarters, house staff, transport, driver, passages, cannot strictly be considered to be working expenses, and in answer to your enquiry I stated that share of profits was the only remuneration which I required. 10

I would add that I am asking for a percentage of the proceeds of the goods business only, and require no share in the proceeds of the produce or export business. You are at present negotiating an export business. 20

I shall like to bring to your notice the fact that on the 33-1/3% basis which you propose, when the Company's proceeds are only equivalent to the working expenses of the Company on the fixed salary basis, I would be getting less than I earn on salary; this in spite of the fact that I am not asking for a guaranteed minimum. The result would be that any increased remuneration earned in good years would be liquidated by my loss in remuneration in even the normal years. You know how many good years there have been for us during the past 19 years, perhaps hardly any. I am asking therefore that the basis of share of profit should be such as will at least maintain my remuneration in normal years at the salary level; this would mean an allowance of 40% of proceeds after deducting actual running expenses. 30 40

sic Agreement. I agree to an agree setting out the nature of employment and terms of remuneration in detail, though not to a contract as your letter suggests. I have already given you 19 years service, only the first five of which were on contract, so I can see no necessity for a contract.

During this period I have accepted without question whatever remuneration I was offered, accepting during the war years a reduction in salary in spite of the high increase in cost of living. It is this high cost of living, the fact that at my age I should be facing the additional responsibility of a family which though long over-due has been absolutely impossible on my earnings, and the need to provide for old age, which have made it necessary for me to ask for a revision of my remuneration. I tried to explain this when I raised the matter.

I understood you to say this morning, when I tried to put these points before you verbally that you have already decided that the 33 1/3% of nett proceeds is generous for me. I trust, however, that you will consider the reasons advanced for a 40% share of proceeds, so that at least my present rate of remuneration will be maintained in normal years.

Yours sincerely,
(Sgd.) G.S. LEWIS.

"DD"

LETTER, G. FRANCOIS to G. S. LEWIS
CHEAPSIDE SYNDICATE LTD.,
P.O. Box 208,
Accra, Gold Coast Colony,
6th October, 1948.

G.S. Lewis, Esq.,
Director, Cheapside Syndicate Ltd.,
Accra.

My dear Stanley,

Reference your letter of 30/9/48.

Interest on Investment. You raised this issue at our first talk. If you now consider it a proper charge against profits then we are now in Agreement I waived interest previously as a concession.

Working Expenses. Take items Transport and Driver. How do you suggest transport expenditure like the following be treated? A call to the Bank, a call to Customs, or to Supply Office, or to anywhere on any errand in connection with "Cheapside" business.

Exhibits

"2"

Letter,
G.S. Lewis to
G. Francois.
30th September,
1948
- continued.

"DD"

Letter,
G. Francois to
G.S. Lewis.
6th October,
1948.

Exhibits

"DD"

Letter,
G. Francois to
G.S. Lewis.

6th October,
1948

- continued.

Do you deny the management the right to use "Cheapside" resources in whatever way obtained for running "Cheapside".

If Quarters and Passages are usual in Company expenditure why do you desire "Cheapside" to depart from the usual practice. You have always received free quarters. You have recently returned from a holiday that cost £342.8.7d. plus your pay during the period of seven months. Do you desire that this should be the last expenditure of this nature? 10

Years of Service. You state that you have worked 19 years for me. Do you consider the holiday expenses above noted to be an allowance made to you by me personally? Do you consider that your work at Suhum was paying handsome dividends from which I personally benefited. It may be that you consider time devoted to putting up Suhum residence as work that falls into that category. The only object of putting up Suhum was to house you comfortably.

Reduction in Pay. Kindly state the reduction in pay you suffered during the war years. I have no recollection. 20

Percentage of Profits on Goods. Do you claim a percentage on goods not handled by yourself. Enquiries have been started about African Prints. Will you be claiming your share percentage as progress is made.

Salaries: Employment of further staff as needed and increases of salaries of present staff do you consider these likely developments as matters that the management is incompetent to deal with? 30

This letter is intended to probe a basis of agreement.

Yours sincerely,

(Sgd.) GEORGE FRANCOIS.

"S"Exhibits

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS

"S"

CHEAPSIDE SYNDICATE, LTD.
P.O. Box 35,
Tafo,
Gold Coast Colony.
15th October, 1948.

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.
15th October,
1948.

10 G.S. Lewis, Esq.,
Director, Cheapside Syndicate Ltd.
Accra.

Dear Sir,

T E R M S

The Cheapside Syndicate Ltd. offers you the following terms:

- 20 1. Quarters. Please secure comfortable quarters at the expense of the Company. If the premises you can secure are unfurnished, the Cheapside Syndicate Ltd. will provide furniture.
2. Passages. The Cheapside Syndicate Ltd. agrees to pay a return passage to the United Kingdom after 24 months service in the Gold Coast.
3. Conveyance. The Cheapside Syndicate Ltd. will supply conveyance for the proper discharge of your work in Accra. The Cheapside Syndicate Ltd. will begin negotiations at once for a car.
- 30 4. Emoluments. The Company offers you $33\frac{1}{4}\%$ of the nett profits as shewn at the close of each financial year. Permission is given to draw up to Five hundred pounds before the figures for the year are ascertained.
5. Nett Profits. This will be ascertained on the basis of deduction of all Company working expenses and reasonable provision for bad or doubtful debts from Gross Profits but will not include personal amount drawn by yourself or myself towards remuneration.

Exhibits

"5"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.

15th October,
1948 - continued.

6. These terms specifically exclude the carving out of spheres of activity on which to base percentage of profits.

We hope you will find the terms acceptable when an Agreement embodying these and other usual terms can be drawn up.

Yours faithfully,

pp. Cheapside Syndicate Ltd.

(Sgd.) GEORGE FRANCOIS
MANAGING DIRECTOR.

10

"5"

"5"

Letter,
G.S. Lewis to
G. Francois.

19th October,
1948.

LETTER, G.S. LEWIS TO G. FRANCOIS

CHEAPSIDE SYNDICATE LTD.,
Accra.

19/10/48.

Dear Francois,

On Thursday 14th instant 11 (eleven) dozen R.N. SS. Singlets were discovered short from a case of 50 dozen supposed to be full. For this Mr. Gyaha has not yet been to account. This is one of the two cases examined at the Beach, contents of which he checked upon receipt. These singlets are part of a consignment of 300 dozen ex "Sobo" of August. They arrived without labels; we wrote for labels, and these arrived recently. Thirty four dozen were issued from the box on 14/10/48, and the balance was found to be five dozen instead of 16 dozen.

20

(Intd.) G.S.L.

"CC"

Exhibits

LETTER, G. FRANCOIS TO G.S. LEWIS

"CC"

Accra,
28th January, 1949.

Letter,
G. Francois to
G.S. Lewis.
28th January,
1949.

Mr. Lewis,

10 Mr. Anim leaves 31st inst. I am myself taking his ground stock starting from today and will place Gyaha and Korantend in charge of the stock until a suitable man is found to take over. I hope to finish by 31st so that Mr. Anim can be released. Gyaha being the senior should receive instructions and Koranteng act as his assistant. That seems the best possible arrangement with available staff.

(Sgd.) GEORGE FRANCOIS.

"T"

"T"

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.
28th March, 1949

CHEAPSIDE SYNDICATE, LTD.

20

P.O. Box 208,
Accra.
Gold Coast Colony.
28th March 1949.

G.S. Lewis, Esq.,
Director, Cheapside Syndicate Ltd.
Accra.

Dear Sir,

The Company made you an offer of revised working terms on 15/10/49. As there has been no acceptance of the offer it is hereby withdrawn. sic.

30

Yours faithfully,

p.p. Cheapside Syndicate Ltd.

(Sgd.) GEORGE FRANCOIS
MANAGING DIRECTOR.

Exhibits"U""U"LETTER, G.S. LEWIS to G. FRANCOIS.

Letter,
G.S. Lewis to
G. Francois.
5th April, 1949.

Accra.
5th April, 1949.

George Francois, Esq.,
Cheapside Syndicate Ltd.,
Accra.

Dear Mr. Francois,

Much as I had hoped that further correspondence in this undue and needless controversy concerning my status and remuneration in Cheapside Syndicate Ltd. would not have been necessary in view of my genuine efforts to have the matter settled to our mutual benefit and advantage, it is much regretted that you have now given me cause to write, even in spite of my reluctance.

10

Offer of Terms. As to your letter of the 28th March, 1949, purporting to withdraw the offer contained in your letter of the 15th October, 1948 (which date is erroneously referred to in your letter under reply as 15/10/49), apart from your not having given me any time limit you will no doubt appreciate the position you put me in, which admittedly is a difficult one deserving the most diligent and careful consideration.

20

After twenty (20) years' service I deserve, you will admit, and in fact I claim the right, to be better treated than you have done for me hitherto.

The offer to which your letter of 28th March 1949 refers was in point of fact accepted in its broad terms by the fact of my continuance in the service of the Company since the offer was made. As the terms set out therein did not embrace all the terms which an agreement of employment should employ, the terms omitted as well as the details for adjustment were left to be threshed but and put into their final form in an agreement at the close of the busy season. As a result I am unable to accept your alleged withdrawal of the "offer" which so far as I am concerned has long ceased to

30

sic.

40

be still in the nature of an offer, but has been in fact a contract, the final details of which would be worked out when the agreement was being drawn up.

Exhibits

"U"

In all circumstances therefore be assured that you will in due course receive my detailed observations and conclusions on the points requiring adjustment and on the terms omitted.

Letter,
G.S. Lewis to
G. Francois.
5th April, 1949
- continued.

Yours sincerely,

(Sgd.) G. STANLEY LEWIS.

10

"BB"

"BB"

LETTER, G.S. LEWIS to G. FRANCOIS.

Letter,
G.S. Lewis to
G. Francois.
8th April, 1949

Accra.
8th April, 1949.

George Francois, Esq.,
Cheapside Syndicate Ltd.,
Accra.

Dear Mr. Francois,

20

Further to my letter of 5th instant I make the following observations on the agreement proposed in your letters of 15th October 1948:-

The agreement should state clearly:

30

- (a) Exactly what my duties are. A statement of what are not my duties does not amount to a statement of what my duties are.
- (b) What my status is in the working of the business. By this is meant what degree, if any, of responsibility in the working of the business is allocated to me; if any, in what capacity? Whether in order to ensure discipline and efficiency, such responsibility should not extend to entire control of staff working directly under my supervision, as normally operates where a man is in charge of a station or of a department ?

Exhibits

"BB"

Letter,
G.S. Lewis to
G. Francois.
8th April, 1949
- continued.

- (c) The basis of remuneration. This we agreed upon as a percentage of nett profits. Your letter of 15th October 1948 confirms your assertion in your letter of 30th September 1948 September 1948 that the Company will allocate to me $33\frac{1}{3}\%$ of the nett annual profits of the business.
- (d) What provision is made for sick leave, local leave, leave abroad.
- (e) What notice on either side may terminate the agreement.

10

Nett Profits. Nett profits should fairly be based only on current earnings and expenditure including current bad debts and losses.

Conveyance. A Company owned car would not provide me with transport for private use. In order to bridge this difficulty a personally owned car would be a more satisfactory arrangement. As the car would be used largely for business, the Company might advance me the purchase money for the car, which would be personally owned, and make me an allowance to cover the upkeep of the car. The purchase price of the car would be reduced annually by the allowance for depreciation.

20

Yours sincerely,

(Intd.) G.S.L.

"v"

Exhibits

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS

"v"

CHEAPSIDE SYNDICATE, LTD.

P.O. Box 208,
Accra.
Gold Coast Colony.

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.
9th April, 1949.

9th April 1949.

10 G.S. Lewis, Esq.,
Director, Cheapside Syndicate Ltd.
Accra.

Dear Sir,

You have addressed to me two letters dated
5/4/49 and 8/4/49.

20 I shall take an early convenient opportunity
to place these letters and previous relevant cor-
respondence before the Board of Directors as pres-
ent constituted or an enlarged Board if the intro-
duction of new blood in the directorate is practicable
in the near future. I shall then act on the
direction of the Board.

I have already informed you that my offer of
15/10/48 which, in any case, would have needed the
approval of the Board of Directors is withdrawn.

I am unable to predict what the direction of
the Board will be and until such direction is ob-
tained you may advise yourself as to your attitude
towards the Company.

Yours faithfully,

30 p.p. Cheapside Syndicate Ltd.

(Sgd.) GEORGE FRANCOIS.
MANAGING DIRECTOR.

Exhibits

"K"

"K"

NOTICE of EXTRAORDINARY GENERAL MEETING
of CHEAPSIDE SYNDICATE LTD.

Notice of
Extraordinary
General Meet-
ing of
Cheapside
Syndicate Ltd.

CHEAPSIDE SYNDICATE, LTD.

P.O. Box 208,
Accra.
Gold Coast Colony.
15th April, 1949.

15th April, 1949.

NOTICE is hereby given that an Extraordinary
General Meeting of the Members of the above-named
Company will be held at the premises of the late
Mr. R.E.Phipps on Castle Road, Christiansborg on
Sunday the 1st day of May, 1949 at 10 o'clock in
the forenoon:-

10

1. To elect 4 additional Directors from among the Members.
2. For the purpose of considering and if thought fit passing the following Resolution either with or without modification:

"That the Capital of the Company be in-
"creased from £5,000 fully paid shares to
"£20,000 by the creation of 40,000 new
"share of Ten Shillings (10/-) each."

20

3. To permit the conversion of fully paid shares of 20/- denomination to equivalent value of partly paid shares of less denomination.
4. Any other matter.

By Order of the Board.

(Sgd.) C.C. LOKKO.
Secretary.

30

To
STANLEY LEWIS, ESQUIRE,
A C C R A .

"L"

Exhibits

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS

"L"

CHEAPSIDE SYNDICATE, LTD.

P.O. Box 208,
Accra.
Gold Coast Colony
15th April, 1949.

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.
15th April, 1949.

Dear Sir,

10 I beg to inform you that a Meeting of the
Directors will be held at the premises of the late
Mr. R.E. Phipps on Castle Road Christiansborg on
Sunday the 1st day of May 1949 at 10 o'clock in the
forenoon for the transaction of the business speci-
fied in the Agenda appended hereto.

A G E N D A.

- 20 1. To peruse correspondence between the Managing
Director Mr. Francois and the Director Mr. Lewis;
Also Mr. Francois' Memo on the reason of the
withdrawal of his offer of terms to Mr. Lewis
and to determine:
- (a) Equitable Emoluments for Mr. Lewis
(b) What improved status can be accorded Mr.
Lewis
2. Approve of the appointment of Mr. C.C. Lokko
as Honorary Secretary.
3. Any other matter.

Yours faithfully,

(Sgd.) C.C. LOKKO

SECRETARY.

30 To
STANLEY LEWIS, ESQUIRE,
A C C R A.

Exhibits

"CC"

"CC"

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS
(with Memorandum)

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

CHEAPSIDE SYNDICATE, LTD.

27th April, 1949.

P.O. Box 208,
Accra.
Gold Coast Colony.
27th April, 1949.

G. Stanley Lewis, Esquire,
Accra.

10

Dear Sir,

I am directed by the Managing Director of the above Company to forward you herewith enclosed a copy of his Memo on withdrawal of his offer made to you for your information.

Yours faithfully,

(Sgd.) C.C. LOKKO
SECRETARY.

Memo from Mr. Francois on withdrawal of offer
made to Mr. Lewis.

20

I withdrew the Company's offer made on 15/10/48 to Mr. Lewis on the grounds that following

The offer was made in the belief and hope that the terms, generous in themselves, would alter for the better the relationship between myself and Mr. Lewis. The relationship was very bad. The terms, if accepted, could be implemented as from the composition of the Company, the two of us in agreement could make our views prevail over the third Director. When I realised that that purpose would not be served and the offer remained contemptuously unacknowledged I withdrew the offer as our relationship had further deteriorated.

30

Evidence of Deterioration. From his Sick and Convalescent holiday, Mr. Lewis returned at the beginning of March 1949. We live at Christiansborg in the same house. One evening soon after his arrival I sat listening to the 8 o'clock news and Mr. Lewis walked in. After the news we began talking. It seemed to me like old times and, before separating for bed, I remarked to him how pleasant an evening it had been. The next day at work in Accra I went to his portable office, sat down, and began talking about transport. I said I know that he was bent on a car of his own. That should not present much difficulty. The Company could advance the money and have the advance written-off by annual deterioration allowance and his running expenses could be paid by the Company. The suggestion appeared bodily in his letter of 8th April. I received no reply to my suggestion and left. The evening following the one reminiscent of old times I repaired again at 8 o'clock for the Radio news. Mr. Lewis again came in. After the news I was hopeful of resuming our talk of the evening before but he got up and went away. Social courtesies since have been monosyllabic. When, the only response to my suggestion about a car was my discovery that our joint Cateress had been informed by Mr. Lewis that his midday meal must be sent to the office at Accra, 3 miles away, and the reason given was that he had no transport to come for his meal whereas for the last six or 8 months we had always travelled for lunch together and I still did so it occurred to me that the impression he set out to give outsiders was not flattering to myself.

The incidents of Sugar overcharge and withholding of petrol have been related elsewhere but there is another incident which has to be told. It seemed unnecessary for both of us to keep accounts about meals with a joint cateress. I paid my dues to Mr. Lewis and he settled with the cateress. Things went happily for months. One Friday as I was about leaving for Tafo and I put down my week's payment on the table I was surprised by the remark "I don't accept money while I am eating, you have done it before". I waited and when Mr. Lewis had concluded I said: "Here is my week's contribution". He replied "I have told you I won't accept money at table". From that time I settled my bill with the cateress direct.

33¹/₃%. The Cheapside canvas should not be allowed

Exhibits

"CC"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

27th April, 1949

- continued.

Exhibits

"CC"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

27th April, 1949
- continued.

to be entirely filled with Mr. Lewis's emoluments, Mr. Lewis's status, Mr. Lewis's sacrifices or anyone else's for that matter. If for the last three months Mr. Lewis has contributed nothing in personal service to the current running of the Company save for two days devoted to stock taking during the three months evidently the Company canvas must show other features. 33 $\frac{1}{3}$ % postulated few interests, cordial relationship. When a colleague desires the progress of the work in which he is engaged and spends a large part of the night in furthering that progress he is definitely entitled to recognition for such services in the most generous measure. If a colleague aspires, by intensive night work, refusal of help, refusal by devious ways to share company information, aspires by exclusive knowledge to capture the controlling power and when he thinks he has that exclusive knowledge to demand 33 $\frac{1}{3}$ % of Gross Profits of the Company for himself then his past efforts must be regarded in their true light a bid for controlling power. Within a short space of time the receiver of 33 $\frac{1}{3}$ % of gross profits would own the Company if the Company had not then be reduced to an empty shell. This bid for controlling power was directed against hands consistently friendly. It was carried on at first with subdued resentment. It later blossomed into open hostility. It failed as it deserved to fail.

Company Commitments. At the time Mr. Lewis was taken ill in January I had to go in detail to Company commitments. What I found was a bit alarming. To take one case alone. Mr. Lewis had placed orders with one Hong Kong firm for roughly £10,000 worth of goods. He had succeeded to get Bank cover by Letters of Credit to cover £4,000. The balance of £6000 had to be met somehow. The commitment made; Mr. Lewis begins to look round for a firm to help the financing. A firm approached declined at the last moment. To make commitments and then to start to find out who can help you out is neither good business nor acceptable to me and I should imagine to the Board.

I had occasion to write to Medical friends about their needs in Potassium Iodidum and Iodoform. I was not very successful. It happened that orders had been placed for £747.13.10. The drugs not having been supplied according to sample Mr. Lewis rejected acceptance and rightly. The Shippers I

discovered later had been asking that the goods be sent back. It is not clear how an allowance came to be made bringing the value down to £541.10.6. The reduction was accepted by Mr. Lewis and the drugs taken into stock. It speaks volumes for our business relationship that though in Accra and Head of Cheapside not once was this matter discussed with me.

10 A legal friend was present at an outburst at Christiansborg. He was asked to help to obtain a suitable Assistant for Mr. Lewis. The request had to be called off when Mr. Lewis refused assistance.

20 Financial Position. If there is anything certain about trading in the Gold Coast it is its uncertainty. You will find in Appendix 1 a short statement shewing the position during the boycott during the early part of 1948 and our position as it would be in January 1949. The facts are that during a boycott you still have to meet all your commitments especially from abroad and no Sales are being made to help to meet those commitments and you have necessarily to fall on whatever Reserves you have. The Statement will give the comparative positions. It is a great pity that there is no realisation on the part of Mr. Lewis that he should not have taken all these gambling risks on resources not his own and consider them achievements. I do not want to convey that some of Mr. Lewis's work has not been profitable to the Company. That would be untrue but the overall picture is as I have stated.

30

40 Relationship with Staff. All the members of the Staff except one whom he says understands his foibles have been up for dismissal. Some several times. I at any rate would not like at the next outbreak of hooliganism to have Cheapside clerks the leaders of the hooligans to destroy Cheapside property. Morgan a very competent Beach clerk was up less than five months ago with a request for dismissal by Mr. Lewis. The power that Mr. Lewis wants and, without appeal to the Head of the concern, is power to be feared. The study and encouragement of employees is a function of management. It is preferable to have co-operation through good treatment than through fear.

Corrections. Mr. Lewis had been working in Cheapside Syndicate Ltd. only from 1937. Even that is a long time. Only from his period of work with

Exhibits

"CC"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

27th April, 1949
- continued.

Exhibits

"CC"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

27th April, 1949
- continued.

Cheapside Syndicate Ltd. could it be claimed that I had controlling power. Previously both of us worked for Anglo-African Corporation Ltd. a company controlled by Mr. Dove. It should be made clear that the 20 years service of which Mr. Lewis speaks was not given to a Company of which I was in control except since 1937 and then there was a war and its aftermath.

Mr. Lewis went on a Contact Mission to England. As I have pointed out elsewhere he was financed by the Company on that trip. The mind that makes a virtue of such contacts and considers him as high individual achievements may be setting the standard of achievement a little low. 10

Suggestions. My suggestions are that the Board find out from Mr. Lewis the minimum that will satisfy him as salary, give a house allowance adequate to lodge the prospective family. Give a Car Allowance under whatever conditions the Board think fit. These amounts to be shown individually or as a lump sum under whatever name that is agreed upon. 20

As a further incentive the Board should at the end of every financial year as soon as the accounts have been presented study them and determine whether the working of the year permits of a bonus being paid and at the Board's discretion pay a bonus to Mr. Lewis.

Where the interests of a Company are in few hands the division of profits between those interests would be a fairly simple matter. As the participation in the interests of Cheapside has been widened the suggestion of division of profits into blocks is no longer possible under the structure of the Company which is the property of the Shareholders and whose investments must bring a return. 30

The Board have sufficient material to decide, in consultation with Mr. Lewis, to what extent his letter of 8th April, 1949 can be met.

As Managing Director, I should find Mr. Lewis's assistance of value especially in organising the Sales side of the Company, in advising about indent requirements, in developing outstation stores and generally. 40

It will not have escaped the notice of Members of the Board that I have criticised a set of conditions that fall within my province as Managing

Director. A decision was taken by me in consultation with Mr. Lewis to develop trading and eventually to give up produce whose headway was at a crawling pace if at all. Mr. Lewis was to undertake the development of the Trading side while produce sustained the venture in its early stages. I have explained how by the boycott of early 1948 all resources had to be concentrated in Accra not in accordance with any preconceived developmental Time Table but by force of the necessities of the moment.

10

Exhibits

"CC"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

27th April, 1949

- continued.

From the time all resources were transferred to Accra a new set of conditions arose creating personal problems which by goodwill might have been solved. Mr. Lewis's attitude was that trading in Accra was his preserve of which he should be head. That was impossible in the changed circumstances and remains impossible while I am still actively engaged. It explains however why some of the functions of Managing Director were carried out by Mr. Lewis without consultation or reference.

20

A solution whereby, in constant consultations, Mr. Lewis could share intimately in the managerial function would have been an ideal solution. I have shown why that course was not taken and as it postulates friendship and comradeship I am in great doubt whether it can now be taken.

APPENDIX

30 Compare Cash Position in January 1948 - Boycott period - to 28/2/48 and at January 1949 to 28/2/49.

To understand this Appendix you are to assume a boycott and that at a boycott goods continue to arrive and can only be met from Cash Reserves or Permissible Bank Overdrafts. You are to assume that the period

| Date | Bank Cash Balance | Value of Goods arriving and Customs duty during the two months period |
|-----------|-------------------|---|
| 1/1/48 | £508. 5. 7 | £7887. 14/- |
| 40 1/1/49 | 1877.11.11 | 18,588. 15. 5 |

| Reserve Cash | Permissible Bank Overdraft |
|--------------|----------------------------|
| £4200 | £2000 |
| Nil | £2000 |

Exhibits

"CC"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with Memorandum)

27th April, 1949
- continued.

To meet the boycott of January, 1948 we had Total Reserves of £6708 against goods arriving of £7887.14.-.

To meet a boycott in January 1949 we had Total of £3877.11.11 against goods arriving £18,588.15.5,

The permissible Bank Overdrafts are made on the Security of my house at Tafo, house at Suhum and at Koforidua.

"AA"

Letter,
Deputy
Commissioner
of Income Tax
to G.S. Lewis.

11th June, 1949.

"AA"

LETTER, DEPUTY COMMISSIONER OF INCOME TAX
to G.S. LEWIS

10

DEPUTY COMMISSIONER OF INCOME TAX
P.O. BOX 561,
ACCRA, GOLD COAST.
11 June, 1949.

No.DC.AC.4303/2.

G. STANLEY LEWIS, ESQ.,
P.O. BOX NO.208,
ACCRA.

Sir,

20

With reference to your letter of 30 April, 1949, I have to inform you that in view of your failure to complete the Return of Income Form sent you in April, 1948, an assessment was raised on 18.12.48 from information available to me on an income of £414, tax thereon £4.2.0d.

2. The Notice of Assessment was sent to Mr. George Francois, P.O. Box 35, Tafo, whom I appointed your Agent, in accordance with the provisions of Section 38(1) of the Income Tax Ordinance, 1943. The amount of £4.2.0d was paid to me on 19.1.49. I regret you were not informed accordingly when your explanatory letter of 14.2.49 was received in this Office.

30

3. I have not yet received your Return of Income for the year of assessment 1949-50. I enclose a duplicate form (I.T.21) and must ask you to complete and return this to me at an early date.

Yours faithfully,

(Sgd.) A.L. ?

for AG:DEPUTY COMMISSIONER
OF INCOME TAX.

40

ALE/SA.

"III"

Exhibits

LETTER, DEPUTY COMMISSIONER OF INCOME TAX
to G.S. LEWIS

"III"

DEPUTY COMMISSIONER OF INCOME TAX,
P.O. BOX 561,
ACCRA, GOLD COAST.

Letter,
Deputy
Commissioner of
Income Tax to
G.S. Lewis.

19 August, 1949.

19th August 1949.

No. DC.4303/2.

REGISTERED.

10 G.STANLEY LEWIS, ESQ.,
P.O.BOX 208,
ACCRA.

Sir,

20 In reply to your letter of 13 August, 1949 I
have to inform you that Mr. Francois forwarded to
me a completed return in respect of the employees
of the Cheapside Syndicate Limited, on 30th July,
1949, showing your income as £500 salary and £19
interest on deposit. He also completed your Per-
sonal Return Form and signed it on your behalf.

2. I enclose Notice of Assessment for payment in
due course.

Yours faithfully,

(Sgd.) ? ? ?
for DEPUTY COMMISSIONER OF INCOME TAX.

ALE/AJL.

Exhibits"6"

"6"

LETTER, G.S. LEWIS to BARCLAYS BANK.

Letter,
G.S. Lewis to
Barclay's Bank.

25th August, 49.

25th August,
1949.

Messrs. Barclays Bank, (D.C.& O).
Bills Dept.,
Accra.

Dear Sirs,

- B/C 9854 & 9855 due 30/8/49 in favour
of Messrs. Hoods Limited -

Kindly remit by cable the amount of those
Bills and debit our account.

10

Yours faithfully,
(Intd.) G.S.L.

Dear Francois,

We must have quite a lot of money locked up
in claims. If payment of some could be expedited
it would assist in meeting bill due 6/9/49 for
over £4000 and bill due 12/9/49 for nearly £2000,
against both of which we at present have nil.

G.S.L.
25/8/49.

20

Mr. Lewis,

The whole question of why we should have such
heavy bills will be gone into at the appropriate
time - and the responsibility for them and what
steps to be taken to prevent them Morgan is being
detailed to see what Lloyd's can do. Lloyd's is
very slow. Please return.

G.F.
25/8/49.

30

"N"

Exhibits

MEMORANDUM, G. FRANCOIS to DIRECTORS,
CHEAPSIDE SYNDICATE LTD.

"N"

Memorandum,
 G. Francois to
 Directors,
 Cheapside
 Syndicate Ltd.

Memo to Directors.

Balance Sheet: Cheapside Syndicate Ltd. 31/3/49.

9th September,
 1949.

1. Liabilities Side. If Creditors at 4 & 5 of the
 Balance Sheet are divided into

(a) Those who may call for their securities at any
 time viz:

| | | | | |
|----|------------------------|-----|-----------|------------|
| 10 | Kofi Kissi | ... | £1000 | |
| | Ansong Kumi | ... | 300 | |
| | F.K. Ntoni | ... | 693.14. | 8 |
| | Badu Amoako | ... | 150. 0. | 0 |
| | A.N. Anim | ... | 9.18. | 6 |
| | Deposits against goods | | 486. 5. 5 | £2579.18.7 |

(b) The remainder where Company standing will not
 be jeopardised by urgent calls ... 7668. 7.9
 it will be seen that the Company has not the
 fluid cash to meet (a) as the Cash Balances

| | | | | |
|----|-----------------|-----|-----|----------------|
| 20 | Assets side are | ... | ... | 2328. 2.3 |
| | U.A.C. balances | ... | ... | <u>62. 5.3</u> |
| | | | | 2390. 7.6 |

In other words insufficient.

2. Hoods Bill No.9117 for £2621.9.7 is included in
 the Ground Stock (Assets side) of £17989.15.10.

3. Nett Profit for year stands at a Book Figure of
 £10,715. 4. 1. By that is meant if Ground Stock
 standing at ... £17989.15.10

| | | | | |
|----|-----------------------|-----|-----|-------------------|
| 30 | Goods suspense | ... | ... | 7924. 7.10 Assets |
| | Insurance claims | ... | ... | 586.14.10 Side |
| | Hides & Skins shipped | ... | ... | 198.14.10 |

and any of the debts and assets to be collected do
 not realise the amounts set against them then Pro-
 fit shall have been overstated by the amounts un-
 realised.

4. Our Ground Stock although shewn at Cost Price
 includes a high percentage of goods not really
 saleable except at a loss. Insurance claims are

Exhibits

"N"

Memorandum,
G. Francois to
Directors,
Cheapside
Syndicate Ltd.

9th September,
1949

- continued.

never met in full. Hides and skins, we know, will show a loss. It may be a wise anticipation or precaution to make the ground stock a percentage of what is shewn to cover loss. That would, however, affect the total amount of profit & loss at (3) and affect remuneration of Mr. Lewis fixed at $\frac{1}{3}$ rd of the year's profits.

5. I would be quite willing if Ground Stock value is reduced by a percentage to meet anticipated loss to extend the period of $\frac{1}{3}$ drawing by Mr. Lewis to 31/3/50 as it seems a preferable course to pay at 31/3/50 additional remuneration to Mr. Lewis than at 31/3/49 to pay Income Tax at an inflated Profit. 10

6. Whatever is decided on it is quite clear that the Company is in no financial position to meet $\frac{1}{3}$ rd of nett profits in cash vide l.(a) above and 8 below.

7. One feature of the Balance Sheet - and it may be illegal - is its unsatisfactory Liabilities side. A Company should not be as dependent as this one is on Creditors. If the Company's accounts are to assume a healthier aspect there should be conversion by both Francois and Lewis of credit balances into shares. 20

8. If the Company at date 31/3/49 had insufficient funds to effect creditors' balances as shewn at l (a) if since 31/3/49 the Company in order to meet bills for goods arriving has had in a good many cases to sell goods at landed cost and under landed cost. If by the end of August the Company had £6000 matured bills at 60 days Sight to meet and could not meet them i.e. having accepted the goods with 60 days' grace to pay for them at the end of the period of grace the Company could not pay the bills it will be appreciated that risks taken had caught us up by the end of August. 30

9. The Company has, therefore, to move from the edge of the precipice to the centre of the road.

10. If Directors decide it would be best to accept the profit and loss figures as they stand then $\frac{1}{3}$ or £3571.14.8 will go to Mr. Lewis. I claim no more for myself and £3571.14.9 will be shewn in the Profit and Loss account. The remuneration for 40

Mr. Lewis should be settled to run from 1/4/49.

Exhibits

"N"

11. It is clear that except as indicated at 7 above the Company is in no position to meet these divisions of profit. At 31/8/49 with £5000 of matured Bills to meet in a few days time and all the deposits of security shewn at 1(a) outstanding the Cash Balance of the Company in Safe and Bank was £1105.14.8.

Memorandum,
G. Francois to
Directors,
Cheapside
Syndicate Ltd.

10 12. It might even seem a little incongruous that sharing out of profits should be possible in the conditions stated in the above paragraph.

9th September
1949
- continued.

13. It is proposed to make a gesture to some of the junior staff who worked well. The three top juniors should be given £50 in shares each.

14. A pleasant feature of the Trading is to be seen in the Trading Account. Cash and Credit Sales amounted to £78105.17.9. This has meant a lot of work for Mr. Lewis ably helped by the junior staff and all credit is due to them.

20

(Sgd.) GEORGE FRANCOIS.

CHEAPSIDE SYNDICATE LIMITEDBALANCE SHEET 31/3/49Exhibits

"N"

| <u>LIABILITIES</u> | | | <u>ASSETS</u> | |
|----------------------------------|-------------|--------------------|--------------------------------------|--------------------|
| 1. Capital Account | | £3125. 0. 0 | Cash Balances | |
| 2. Reserve Account | | 1646.17. 6 | Barclay's Bank Koforidua | 2.16.11 |
| 3. Additional Reserve | | 96.12. 6 | B.B.W.A., Accra | 9. 2. 1 |
| 4. <u>Sundry Creditors</u> | | | Cash at Accra | 428. 2. 9 |
| Kissi Kofi | £1000. 0. 0 | | Cash Barclay's Bank at | |
| M. Awuah | 399. 0. 0 | | Accra | 1948. 0. 6 |
| G. Francois & Awuah | | | United Africa Coy. Nsawam | 8.11. 1 |
| Joint A/c | 396.17. 3 | | " " " K'oua | 53.14. 2 |
| Ashong Kumi | 300. 0. 0 | | Elder Dempster Lines Ltd. | 3.10. 6 |
| F.K. Ntoni | 643.14. 8 | | War Savings Certificates | 90.15. 0 |
| Badu Amoako | 150. 0. 0 | | Car Account | 77. 4. 0 |
| G.S. Lewis | 645.11. 0 | | Plant Account | 2. 8. 2 |
| G. Francois | 6226.19. 6 | | Cocoa Butter Account | 280. 1. 6 |
| A.B. Anim | 9.18. 6 | 9772. 0.11 | Goods Account Ground Stock | 17989.15.10 |
| 5. <u>Deposits against goods</u> | | | " " Suspense | 7924. 7.10 |
| K. Mfoafo | 101. 1. 8 | | Hides & skins shipped on consignment | 198. 4.10 |
| G.E. Onwuna | 125. 0. 0 | | <u>Sundry Debtors</u> | |
| E.O. Adjo | 129.10. 9 | | S.L.Nyako | 21.10. 1 |
| D. Awuah | 70.13. 0 | | S. Amoako Atta | 41. 5. 0 |
| Kwadjo Fosu | 40. 0. 0 | | C.E.M. Abbensetts | 17.16. 8 |
| John Adu | 20. 0. 0 | 486. 5. 5 | E.O. Appeah | 5. 0 |
| 6. Interest on deposits | | 11.12. 7 | Md. Anima | 9. 0 |
| 7. Hoods Bill No.9117 | | | Adjobi Lagos | 1. 1. 0 |
| accepted 23/3/49 | | 2621. 9. 7 | Kingsway Bakery | 5. 1. 4 |
| 8. Profit & Loss Account | | 12187. 0. 4 | Dr. R.A. Hoyte | 71.17. 0 |
| | | | H. Christian | 20. 0. 0 |
| | | | C.M.G. Hoyte | 37. 0. 0 |
| | | | Dedee Aryea | 100. 0. 0 |
| | | | Mrs. Vanderpuye | 4. 4. 0 |
| | | | J.K. Achirefi | 20.14. 9 |
| | | | Letitia Offei | 1.17. 0 |
| | | | Insurance Claims outstanding | 586.14.10 |
| | | | | |
| | | <u>29946.18.10</u> | | <u>29946.18.10</u> |

Certified Correct

Manager, Cheapside Syndicate Limited.

Memorandum,
G. Francois to
Directors,
Cheapside
Syndicate Ltd.9th September,
1949

- continued.

CHEAPSIDE SYNDICATE LIMITED

TRIAL BALANCE SHEET

31/3/49

Exhibits

"N"

Memorandum,
G. Francois to
Directors,
Cheapside
Syndicate Ltd.

9th September.
1949

- continued.

| ACCOUNT | £. s. d. | £. s. d. |
|---|-------------|-------------|
| 1. Capital Account | ... | 3125. 0. 0 |
| 2. Reserve Account | ... | 1646.17. 6 |
| 3. Additional Reserve | ... | 96.12. 6 |
| 4. War Saving Certificates | 90.15. 0 | |
| 7. M. Awuah | ... | 399. 0. 0 |
| 9. Nyako S.L. | 21.10. 1 | |
| 30. Goods Suspense Account | 7924. 7.10 | |
| 34. S.Amoako Atta | 41. 3. 0 | |
| 36 C.E.M. Abbensetts | 17.16. 8 | |
| 43. G. Francois & M.Awuah Joint Account | | 396.17. 3 |
| 44. E.O. Appeah | 5. 0 | |
| 45. Ede Anima | 9. 0 | |
| 46. Adjobi Lagos | 1. 1. 0 | |
| 47. Kingsway Bakery | 5. 1. 4 | |
| 48. Deposits a/cs against goods arriving | | 466. 5. 5 |
| 51. Ansong Kumi Security | ... | 300. 0. 0 |
| 55. Car Account | 77. 4. 0 | |
| 57. Dr. R.A. Hoyte | 71.17. 0 | |
| 58. Kissi Kofi Security | ... | 1000. 0. 0 |
| 59. F.K. Ntoni Security | ... | 643.18. 8 |
| 61. Barclay's Bank, Koforidua | 2.16.11 | |
| 64. Badu Amoako Security | ... | 150. 0. 0 |
| 66. H. Christian | 20. 0. 0 | |
| 70. B.B.W.A., Accra | 9. 2. 1 | |
| 76. G.S. Lewis | ... | 645.11. 0 |
| 80. Plant Account | 2. 8. 2 | |
| 83. Profit and Loss Account | ... | 12187. 0. 4 |
| 87. Interest on Deposits | ... | 11.12. 7 |
| 101. Francois G. | ... | 6226.19. 6 |
| 111. Elder Dempster Lines Ltd. | 3.10. 6 | |
| 121. Hides & Skins shipped | 198.14.10 | |
| 132. U.A.C. Nsawam | 8.11. 1 | |
| 141. U.A.C. Koforidua | 53.14. 2 | |
| 152. Cocoa Butter Account | 280. 1. 6 | |
| 154. Hoyte C.M.G. | 37. 0. 0 | |
| 155. Dede Aryee | 100. 0. 0 | |
| 156. Mrs. Vanderpuye | 4. 4. 0 | |
| 158. John Aju | ... | 20. 0. 0 |
| 159. J.K. Achirefi | 20.14. 9 | |
| 161. Goods Stock | 17989.15.10 | |
| 168. Letitia Offei | 1.17. 0 | |
| 171. Cash in Safe, Accra | 428. 2. 9 | |
| 179. A.B. Anim Balance Security | ... | 9.18. 6 |
| 190. Barclay's Bank, Accra | 1948. 0. 6 | |
| 200. Hoods Bill Payable No.9117 Accepted 23/3/49 | ... | 2621. 9. 7 |
| 202. Insurance claims outstanding | 586.14.10 | |
| Certified Correct | 29946.18.10 | 29946.18.10 |
| Manager, Cheapside Syndicate Ltd. | | |

CHEAPSIDE SYNDICATE LIMITEDPROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31/3/49

| | | | | |
|---|-------------|--------|---------------------|-------------|
| 31/3/49 Income Tax 1947/8 | 103. 7. 0 | 1/4/48 | By Balance | £1471.16. 3 |
| Commission Sales F.K. Ntoni | 235.14. 8 | | " Margin Cocoa Butt | |
| Transfer unrecovered value cocoa confiscations | 73. 3. 5 | | or sales | 9. 3. 0 |
| Rent Account Transferred | 473.18. 9 | | " Trading A/c | 15786. 4. 6 |
| Interest on Deposits | 228.18. 0 | | | |
| Car A.T.7270 sold: balance written off | 39.10. 0 | | | |
| General Expenses Account | 3248. 8. 8 | | | |
| Unrecovered cocoa advances transferred on closing down cocoa business | 672. 2.11 | | | |
| Balance | 12187. 0. 4 | | | |
| | <hr/> | | | |
| | 17267. 3. 9 | | | 17267. 3. 9 |
| | <hr/> | | | <hr/> |
| | | 1/4/49 | Balance Brot. down | 12187. 0. 4 |

Exhibits

"N"

Memorandum,
G. Francois to
Directors,
Cheapside
Syndicate Ltd.

9th September,
1949

- continued

Certified that the Profit and Loss Account is for the
year ended 31/3/49.

Manager, Cheapside Syndicate Ltd.

CHEAPSIDE SYNDICATE LIMITED

| <u>Address & Description of Property</u> | <u>Name and Address of owner</u> | <u>Annual Rental Payable</u> | <u>Date of occupation</u> |
|--|----------------------------------|----------------------------------|---|
| Store & Office. Tafo.) Store & Dwelling, Koforidue) Store & Residence, Suhum) | G. Francois, Box 208 Accra | 3 months £90 | Lease determined with 3 months Notice. |
| West African Drug Coy Store, Knutsford Avenue | West African Drug Coy. | £300 | Whole Year |
| House Christiansborg | Executor R.E.Phipps | 83.18. 9 | |
| | | £473.18. 9 | |

The particulars given above are full
and correct.

Manager, Cheapside Syndicate Ltd.

CHEAPSIDE SYNDICATE LIMITEDInterest on Deposits: Financial Year ended 31/3/49.

| <u>Dopositor</u> | <u>Amount at 31/3/48</u> | <u>Amount at 31/3/49</u> | <u>Interest @ 3%</u> |
|-------------------------------|------------------------------|------------------------------|--------------------------|
| M. Awuah | £ 572.10. 5 | £ 399. 0. 0 | £ 9. 0. 0 |
| G.S. Lewis | 628.17. 2 | 645.11. 0 | 19. 0. 0 |
| G. Francois | 6399. 9.11 | 6226.19. 6 | 181. 7. 0 |
| G. Francois &) M. Awuah) | 385. 6. 3 | 396.17. 3 | 11.11. 0 |
| Joint A/c. | | | |
| F.K. Ntoni | | 643.14. 8 | 8. 0. 0 |
| Ansong Kumi | | 300. 0. 0 | - - - |
| Kissi Kofi | | 1000. 0. 0 | - - - |
| Badu Amoako | | 150. 0. 0 | - - - |
| A.B. Anim | | 9.18. 6 | - - - |
| C.M.G. Hoyte | 60. 6. 0 | - - - | - - - |
| Paul Yeboa | 49. 8.10 | - - - | - - - |
| John Adu | 20. 0. 0 | - - - | - - - |
| | <u>8115.18. 7</u> | <u>9772. 0.11</u> | <u>288.18. 0</u> |

Certified correct.

Manager, Cheapside Syndicate Ltd.

Exhibits

"N"

Memorandum,
G. Francois to
Directors,
Cheapside
Syndicate Ltd.,9th September,
1949

- continued

CHEAPSIDE SYNDICATE LIMITEDGENERAL EXPENDITURE 1/4/48 - 31/3/49

| | | | | £ | s. | d. |
|------------------------------|---------------------------|-----|-----|--------------|-----------|----------|
| Cocoa trade abandoned. | Expenses closing 30/6/49, | | | | | |
| | Salaries clerks etc. | | | 277. | 0. | 9 |
| Telephones, Telegrams Cables | ... | ... | ... | 104. | 3. | 10 |
| Water Rate | ... | ... | ... | 3. | 0. | 0 |
| Incidentals | ... | ... | ... | 3. | 4. | 10 |
| Lighting | ... | ... | ... | 21. | 12. | 5 |
| Car Upkeep expenses | ... | ... | ... | 194. | 5. | 7 |
| Travelling | ... | ... | ... | 18. | 18. | 0 |
| Staff payments salaries | ... | ... | ... | 1019. | 1. | 10 |
| Store fittings | ... | ... | ... | 21. | 19. | 0 |
| Stationery & Letter Boxes... | ... | ... | ... | 49. | 16. | 2 |
| Insurance | ... | ... | ... | 23. | 18. | 9 |
| Goods store amexe | ... | ... | ... | 277. | 8. | 6 |
| Salary G.S. Lewis | ... | ... | ... | 500. | 0. | 0 |
| " G. Francois | ... | ... | ... | 700. | 0. | 0 |
| Stamps | ... | ... | ... | 33. | 19. | 0 |
| | | | | <u>3248.</u> | <u>8.</u> | <u>8</u> |

Certified correct.

Manager, Cheapside Syndicate.

CHEAPSIDE SYNDICATE LIMITEDTRADING ACCOUNT YEAR ENDED31/3/49Exhibits

"N"

Memorandum
G. Francois to
Directors,
Cheapside
Syndicate Ltd.9th September,
1949

- continued

| | | | |
|-----------------------------------|---------------------|-----------------------------|---------------------|
| 1/4/48 To Goods Balance | 10503.19.11 | By Cash sales | 73899. 2.10 |
| <u>Barclay's Bank</u> | | Cash for sales etc. ex tafo | 991.14. 9 |
| Bills paid | 59744. 0.10 | Recoveries Insurance | 815. 7. 0 |
| (Letters of credit | | Credit sales | 4206.14.11 |
| (outstanding | 850. 2. 8 | Customs duties refund | 3.15. 3 |
| SUSPENSE (Goods debited before | | <u>Balances</u> | |
| ACCOUNT (arrival | 6138.12. 4 | Ground Stock | 17989.15.10 |
| (Remittances before | | Claims with Insurance | 586.14.10 |
| (<u>dispatch goods</u> | | Suspense Account | 7924. 7.10 |
| (M.Dialdas, Hongkong | 878.19. 4 | | |
| (Taylor Manchester | 56.13. 6 | | |
| Bills payable hoods No.9117 | 2621. 9. 7 | | |
| Customs duties paid | 6647.19. 1 | | |
| Local purchases | 536.17. 7 | | |
| Bill Busi & Stephenson | 139.18. 7 | | |
| B.B.W.A. Bills | 1313.15. 3 | | |
| Ocean freight paid locally | 66.15. 3 | | |
| Allowances slightly damaged goods | 182. 6. 7 | | |
| Goods suspense 1947/8 arrived | 771.19. 4 | | |
| Sundry Bank charges | 105.10. 0 | | |
| Lloyd's Survey Fees | 61.13. 7 | | |
| U.A.C. and Elders charges | 10.15. 2 | | |
| Gross profit | 15786. 4. 6 | | |
| | | | |
| | <u>106417.13. 3</u> | | <u>106417.13. 3</u> |
| To Balances brot. down | | | |
| Ground stock | £17989.15.10 | | |
| Insurance | 586.14.10 | | |
| Suspense Account | 7924. 7.10 | | |
| | 26500.19. 6 | | |

"X"ExhibitsMEMORANDUM, G.S. LEWIS to DIRECTORS,
CHEAPSIDE SYNDICATE LTD."X"MEMO. TO DIRECTORS CHEAPSIDE SYNDICATE LTD. IN
REPLY TO MR. FRANCOIS'S MEMO. DATED 9/9/49
RECEIVED 12/9/49.Memorandum,
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.20th September,
1949.

10 What is the point of para. 1 of the memo ?
Cash is not the only "fluid" asset of the Company;
stock in trade is also a "fluid" asset. Both are
"fluid" from day to day. Employees shown under
1(a) could demand their securities only on a
month's notice, and not together except the busi-
ness was closing down. To meet calls for those
securities of £2,579.18.7 there was stock in trade
at 31/3/49 of £17,989.15.10 with an average monthly
turnover (based on 1948/49 figures - the monthly
turnover for 1949 is very much higher) of £6,500
plus "fluid" cash £2,450.7.6 (not £2,390.7.6 as
20 stated). So that the point that the Company is
consistently short of cash and is therefore unable
to find the cash to pay its staff their earnings
is not proven.

30 This brings us to the question: why was the
Company so short of cash at 31/3/49 - the close of
the Main Crop Cocoa Season, immediately after hav-
ing made a profit of over £10,000 most of which
was made during the Cocoa Season since the months
following the disturbance were difficult. Stock in
trade at 31/1/49, three days after I fell ill,
stood at £13,382.5/- at SALES value, of which
£3,930.2.7 was at RENTAL sales value. The equiva-
lent total at COST, reckoned by deducting 20% of
sales value, was therefore only £10,705.16/-. But
by 31/3/49 stock in trade had nearly doubled, and
stood as high as £17,989.15.10 at COST. Goods re-
ceived during February and March amounted at Cost
to £26,594.6.3; in addition there were already to
hand advance invoices at 31/3/49 for several thou-
sand pounds of goods partly on the Beach and partly
40 in transit. Sales for February and March amounted
to only £22,138.16.9. Considering the very heavy
arrivals of goods in February and March and the
fact that our commitments for the middle season
were well known and that the first evidence of a

Exhibits

"X"

Memorandum,
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.

20th September,
1949
- continued.

slump was already showing itself, why was stock not converted into cash, instead of being allowed to mount, in February, March and April when traders were still willing to replenish their stocks and margins were still good although prices were declining? It is this failure to move with the market and to cash in on stocks on a falling market and to grapple with the fact in February and March that the market was rapidly turning from a sellers' into a buyers' market to be fast followed by one of the worst slumps in Gold Coast trade for many years, that caused the Company to find itself as early as 31/3/49 with an overstocked position instead of with a nice bank balance. By the beginning of May when I again took over sales, the market was one of all sellers and very few buyers. I also found our selling prices well in advance of the market prices then current. Goods arrived weeks before were accumulating in the wholesale still unpriced not ready for sale to the public. In fact there was no available space even outside in the yard to put stocks than on the Beach. 10 20

In para. 3 the nett profit of £10,715.4.1 is declared to be just a "Book Figure", not an actual profit. The reason given being that if ground stock, debts, etc. "do not realize the amounts set against them then Profit shall have been overstated by the amounts unrealised". Surely another year's profit and not the year 1948/49 should be affected thereby. For similarly, if a boom occurred before 31/3/50, ground stock would appreciate in value and the profits of the year 1949/50 would reflect the enhanced value of the ground stock. As the business is practically all cash business, trading debts are a trifle and could not affect profit to any extent. The huge amount of £4,206.14.11 shown as credit sales represents mostly money collected for goods sold in advance of delivery and which Cheapside accounting elects to treat as "credit" sales; also goods supplied on monthly account to building contractors as sound as Thompson, Moir & Galloway. 30 40

Para.4 states: Our Ground Stock although shown at Cost Price includes a high percentage of goods not really saleable except at a loss. This is news to me. I should like to see a list in detail showing at cost what "high percentage" of the total ground stock this represented. Insurance claims, if shown in our books either at the insured value

or at the CIF value, as they should be, cannot show a loss. Collecting hides and skins is not my hobby. Any decision to adjust ground stock value either up or down to market values current at 31/3/49 should have been made at time of stock-taking and any goods costing above market value should have been taken at the depreciated value. It is impossible to do this after several months' interval when market values fluctuate, and it is practically impossible to say today what actual market values were at 31/3/49 of articles which were not selling freely at that date. Any attempt to write down ground stock after the books have been balanced savours strongly of an attempt to whittle down profits for the year only because they are to be shared. The Income Tax Commissioner might have something to say about such late devaluation of stock in "Wise anticipating". As a director of the Company I dissociate myself entirely from any such practice.

Exhibits

"X"

Memorandum
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.

20th September,
1949

- continued.

With reference to para.5, if Income Tax is paid at 31/3/49 on the 1948/49 profit as shown, any fluctuation in value of ground stock and any adjustment of ground stock value at stock-taking at 31/3/50 will be reflected in the 1949/50 profit and consequently in the income tax for that year. There could thus be no possibility of paying income tax twice on the same profit or even on an "inflated" profit over the two year period. Why, therefore, anticipate a loss during the year 1949/50, when we have not been losing during the middle season ?

Paras.1 to 5 are an effort to build up a case for reducing the nett profit for 1948/49. Para. 6 states: "Whatever is decided on it is quite clear that the Company is no financial position to meet 1/3rd of nett profits in cash". This is a direct breach of the undertaking given in the Company's letter of 30/9/48 which reads:

"I consider a 33 1/3% allocation of nett annual profits is a generous allocation to you of what the Company makes. You suggested a higher percentage but with strings attached such as an obligation on your part to invest in the Company. As no obligation of this nature could be enforced I prefer that your 33 1/3% should be entirely free of any strings. If you find it a fair income and you care to invest

Exhibits

"X"

Memorandum,
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.

20th September,
1949

- continued.

"in shares in Cheapside you are at liberty to
"do so. Similarly you can leave any portion
"of your earnings with Cheapside if you care
"to. There is no obligation whatever".
(underscoring mine)

I have already shown that the attempt in para. 1 has failed to show that the Company is unable to meet its commitments and pay its way. I should like a list prepared showing what goods have been sold at landed cost and under landed cost "in order to meet bills" and showing the cost as well as the prices at which the goods were sold. As I have said above, since May 1949 there has been an overstocked position in the Colony which has resulted in the worst slump for many years. The bonded warehouses as well as the Banks' go-downs have been full - some goods have been there since May - so full that the Banks have had to refuse to take delivery of any further goods for customers and the shipping companies have, at the request of the Government, increased handling charges from three pence to one shilling per case on goods due warehouse rent as a deterrent to importers from leaving their goods without clearing them before they are due rent. We have been able to clear practically all our goods without their going on rent. Whether we had bills to meet or not, we could not have sold above the prices at which we have sold - today's market prices. The difference is that we could not have made our expenses but for the large variety of goods we have had to offer. With the huge turnover we have done since May - £34,301.10.5 in cash sales for 4 months to 31/8/49 - we have averaged at least 5%, probably more, and have been able to meet all expenses as well as our commitments. I attach a list showing cash sales month by month from January to August 1949 concerning the bills totalling £6,000 referred to in the memo., we have since met one for £2,000 at due date 12/9/49. No special effort was made to meet the other because Mr. Francois elected well in advance of due date to make his own arrangements regarding postponing payment without consulting me. I had different ideas as to how the bill might have been met and our good name and credit preserved with our suppliers. A request by me that an effort should be made to collect some insurance claims to assist, as was done by Mr. Francois soon after his arrival at Accra last year, met with reproof

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instead of encouragement and co-operation. The immediate result of the arrangement to postpone payment has been the suggestion by the suppliers that credit facilities should be reduced. Those credit facilities had been secured by me before Mr. Francois's arrival in Accra. In order for you to assess the real value of this extended credit facility and the extraordinary difficulty to obtain such credit facilities today, you should know that an attempt by Mr. Francois to obtain a promise of similar extended credit terms in case of need from each of our other suppliers did not meet with approval in a single instance, early this year. Considering the present plight of many big traders of much longer experience than myself, and our heavy commitments during the middle season, I am convinced that there is much cause for satisfaction and thankfulness instead of for regret on our part.

If, now that there is evidence of good profits in the import business, Mr. Francois wishes to convert his deposit into shares, I regret that I am unable to accept his invitation to do the same. He may have other investments and savings; I have not. I am unable therefore to tie up in shares the £600 I have been able to save in 20 years of struggle in the Gold Coast. I have no pension to look forward to, and in the event of a long illness, I would have nothing to depend upon if my money were tied up in shares in a company constituted as Cheapside is today without responsible staff to relieve me. Further, living on £400 a year, I have been unable since my return to replenish my clothing and shoes now nearly worn out which I had to borrow money from the Company to buy when going abroad two years ago. This item, alone, let alone other necessities of life, would make a decent hole in my third share of profits. In this connection I may mention that as a result of having to stay in the very old house at Christiansborg two heavy suits - one I took away new - worth today over £40, have been ruined by moths.

In the fast moving world of today far more lives are lost "in the centre of the roads" than over "the edge of the precipice". In fact, if one might divert from the mixed metaphor, I prefer to keep to the side of the road and the edge of the drain than be knocked down in the centre of the road. One is comparatively safe on the edge of the road provided one stays there.

Exhibits

"X"

Memorandum,
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.

20th September,
1949

- continued.

Exhibits

"X"

Memorandum,
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.

20th September,
1949

- continued.

The meaning of paras.10, 11 and 12 is obscure. Anyone who is able to read a balance sheet and a profit and loss account could not say that the Company was in anything approaching a bankrupt position at 31/3/49. Any suggestion that it is now in that position cannot be supported. But if this is the contention, why invite pauper staff to take shares in a company verging on bankruptcy? The need would be for buttressing by strong financial interests.

10

With reference to para.13, if it is decided that some of the junior staff be given a bonus, they must have earned it to deserve it. The fact that their wages have been increased by as much as 50%, by more in some cases, since 31/3/49 suggests that they must have been badly underpaid and have well deserved the bonus, which they have helped to earn. That they should be dictated to as to how the bonus will be paid them is wrong in principle. They should be given the option of taking it in cash, or of leaving it on deposit or of taking it in shares.

20

I reject the dubious compliment paid me in para.14. There is no credit attached to the mere sale of goods provided one has saleable goods to sell and is able to fix one's own price for the goods. But to be able to obtain the right supplies at a time when goods were still in short supply and to be able to show a profit of 13% on sales value - a profit of over £10,000 a year on a stock fluctuating under £20,000 must have meant more than sheer hard work, I think most shareholders will agree. I could not have done this, however, without the very able assistance and willing co-operation of the wholesale salesman/cashier, Mr. Badu Amoako - whose only qualification is reputed to be that "he understands my foibles" - and of the retail storekeeper Mr. Ntoni, a most efficient storekeeper.

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Some comparison in the accepted need for increment of salaries of the "junior staff" with what is considered adequate for me is of interest. The "three top juniors" by whom I presume is meant Achierfi, Amoako and Morgan, have each had since their arrival in Accra an increase of approximately 150% of their initial pay at Accra. Their work has been made possible only by my full pressure efforts both in the colony and abroad. The retail

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storekeeper engaged in September 1948 has earned in the 7 months to 31/3/49: £35 salary plus £235.14.8 commission totalling £270.14.8 equivalent to £464 per annum. This exceeds the salary of £400 a year for which I was put down at the time this storekeeper was engaged. A salary of £500 a year is still considered adequate for me after 20 years of service. Up to 1945 I accepted without grumbling £300 per annum - except for the years 1938 and 1939 when I was credited with an allowance of £100 per annum earmarked as my special remuneration from goods trading - in the belief that I would recoup in better years ahead.

10

The item under General Expenditure: "cocoa trade abandoned; expenses closing 30/6/49 - £277.0.9" represents three months expenditure on the cocoa business. A copy of the details should be supplied to the Board.

20

I would ask that a General Meeting of the Shareholders of the Company and a Board of Directors' meeting be summoned immediately. The one to make any amendments necessary to the Articles of Association; the other to discuss Mr. Francois's memo. under review together with my reply and make recommendations. Incidentally I may mention that the minutes of the General Meeting and Directors' meeting held on 1/5/49 have not yet been circulated and that although the question of my remuneration was on the agenda of the Directors' meeting I have after four months still received no communication from the Company on the matter. I have continued, however, in the service of the Company doing valuable work for the Company including the securing at Kumasi of a store in a splendid site facing the market, on the understanding that my remuneration is still a third share of the net profits. Thus, as I mentioned above, the suggestion in para.10 is obscure.

30

I draw the attention of the Secretary and the Directors to my request that Shareholders and Directors' meetings should be summoned immediately.

40

(Sgd.) G. STANLEY LEWIS.

Accra 20th September 1949.

Exhibits

"X"

Memorandum,
G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.

20th September,
1949
- continued.

ExhibitsCHEAPSIDE SYNDICATE LIMITED

"X"

GOODS CASH SALES

Memorandum

G.S. Lewis
to Directors,
Cheapside
Syndicate Ltd.20th September,
1949
- continued.

| | | | <u>RETAIL</u> <u>STORE</u> | <u>WHOLESALE</u> <u>STORE</u> | <u>TOTALS</u> | |
|----------|------|--|-------------------------------|--|---------------|----|
| January | 1949 | £3551. 2. 6 | £4833.12. 4 | £8384.14.10 | | |
| February | 1949 | 3360.14. - $\frac{1}{2}$ | 7405. 5. 6 | 10765.19. 6 $\frac{1}{2}$ | | |
| March | 1949 | 1964. 2. - | 9408.15. 3 | 11372.17. 3 | | |
| April | 1949 | 2065. 6.11 | 5944.18. 6 | 8010. 5. 5 | | |
| May | 1949 | 1188.14. - $\frac{1}{2}$ | 5824.16. 2 | 7013.10. 2 $\frac{1}{2}$ | | |
| June | 1949 | 1913.11. 7 | 6101. 4. 7 | 8014.16. 2 | | 10 |
| July | 1949 | 1584.16. 8 $\frac{1}{2}$ | 8196. 5. 9 $\frac{1}{2}$ | 9781. 2. 6 | | |
| August | 1949 | 2243. 8. 3 | 7248.13. 3 $\frac{1}{2}$ | 9492. 1. 6 $\frac{1}{2}$ | | |
| | | <u>17871.16. -$\frac{1}{2}$</u> | <u>54963.11. 5</u> | <u>72835. 7. 5$\frac{1}{2}$</u> | | |

"GG"

"GG"Letter,
Deputy
Commissioner
of Income Tax
to Cheapside
Syndicate Ltd.8th October,
1949.LETTER, DEPUTY COMMISSIONER OF INCOME TAX
to CHEAPSIDE SYNDICATE LTD.

DEPUTY COMMISSIONER OF INCOME TAX

P.O. Box 561,
Accra, Gold Coast.

8th October, 1949.

20

No.DC.303.THE MANAGING DIRECTOR,
CHEAPSIDE SYNDICATE LTD.,
P.O.BOX 208,
ACCRA.

Sir,

ACCOUNTS YEAR TO 31 MARCH 1949
YEAR OF ASSESSMENT 1949-50.With reference to your letter dated 6 October
1949, will you please advise me of the date of sale
and selling price of Car No.AT.7870.

30

2. Can you please say what rent was received from the three buildings at Tafo, Koforidua and Suhum, owned by Mr. Francois, during the period 1 July 1948 to 31 March 1949. I note that the Company vacated these premises with effect from 1 July 1948.

Exhibits

"GG"

Letter,
Deputy
Commissioner
of Income Tax
to Cheapside
Syndicate Ltd.

8th October,
1949

- continued.

3. I understand from the correspondence submitted that the Company is in a difficult position as regards liquid capital and I am prepared to withhold raising an assessment until the last week in January 1950, in the expectation that cash sufficient to pay the tax due will have been obtained. I could not, however, view with equanimity the two Directors drawing their shares of profit (£3,571.14.8d each) in cash before paying the Company's income tax due. Such a procedure would be tantamount to the directors taking a loan from Government funds.

Yours faithfully,

(Sgd.) R.C. GIBBONS
DEPUTY COMMISSIONER OF INCOME TAX.

"M"

NOTICE of EXTRAORDINARY GENERAL MEETING
of CHEAPSIDE SYNDICATE LTD.

CHEAPSIDE SYNDICATE, LTD.
P.O. Box 208,
Accra.
Gold Coast Colony.
11th October, 1949.

"M"

Notice of
Extraordinary
General Meeting
of Cheapside
Syndicate Ltd.

11th October,
1949.

NOTICE is hereby given that an Extraordinary General Meeting of the Members of the Company will be held at the premises of the late Mr. R.E.Phipps on Castle Road, Christiansborg, on Sunday the 30th day of October, 1949 at 10 o'clock in the forenoon.

1. (a) For the purpose of amending Clause 5 of the Articles of Association by increasing the number of Directors from 3 to 7.

(b) Appointment of 4 additional Directors.

2. Balance Sheet for the year ended 31st March 1949.

3. Any other matter.

By Order of the Board.

(Sgd.) C.C. LOKKO.

SECRETARY.

Exhibits

"EE"

"EE"

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.

THE CHEAPSIDE SYNDICATE LTD.
P.O.BOX 208,
Accra, Gold Coast Colony.
14th October, 1949.

14th October,
1949.

G. STANLEY LEWIS, ESQUIRE,
ACCRA.

Dear Sir,

10

I am directed by the Managing Director to ask that you kindly prepare to be placed on the table at the Meeting scheduled for the 30th instant a List of Total Foreign Commitments of the Company at date of the Meeting.

Yours faithfully,

(Sgd.) G.C. LOKKO
SECRETARY.

"W"

"W"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.
(with enclosure)
31st October
1949.

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS

20

CHEAPSIDE SYNDICATE, LTD.
P.O.BOX 208,
Accra
Gold Coast Colony
31st October 1949.

Recd.1/11/49.

G. Stanley Lewis, Esquire.
Accra.

Dear Sir,

30

We forward you herewith for your information a copy of letter we have this day addressed to the Manager Messrs. Barclay's Bank (D.C. & O).

We are, Dear Sir,
Yours faithfully,

FOR & ON BEHALF OF
CHEAPSIDE SYNDICATE LTD.
(Sgd.) C.C. LOKKO
SECRETARY.

CHEAPSIDE SYNDICATE, LTD.

Exhibits

P.O. Box 208,
Accra
Gold Coast Colony
31st October, 1949.

Recd. 1/11/49.

"W"
Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis
(with enclosure)

31st October,
1949
- continued.

THE MANAGER,
BARCLAYS BANK (D.C.& O)
ACCRA.

10 Dear Sir,

We have to inform you that at a General Meeting of the Cheapside Syndicate Limited held on the 30th October, 1949, the following additional persons were appointed to the Board of Directors of the Cheapside Syndicate viz:-

Dr.R.A.Hoyte, Medical Practitioner, Nsawam
Dr.E.L.Augusto -do- Koforidua
Mr.C.C.Lokko, Barrister-at-Law, Accra
Mr.C.E.M.Abbensetts, Barrister-at-Law,
Sekondi

20

Mr.C.C.Lokko was also appointed Secretary.

It was also resolved that as Mr. George Francois the Managing Director is now resident in Accra, all Cheques on the Company funds will be signed by him and not by Mr. G.Stanley Lewis as heretobefore.

We are, Dear Sir,
Yours faithfully,

FOR & ON BEHALF OF
CHEAPSIDE SYNDICATE LTD.

30

(Sgd.) C.C.LOKKO
SECRETARY.

Exhibits

"1"

"1"

LETTER, G.S. LEWIS to CHEAPSIDE SYNDICATE LTD.

Letter,
G.S. Lewis to
Cheapside
Syndicate Ltd.
(With enclosure)
7th November,
1949

P.O. Box 208,
Accra.
7th Nov. 1949.

C.C.Lokko, Esq.,
Barrister-at-Law,
Secretary, Cheapside Syndicate Ltd.,
Accra.

Dear Sir,

10

With reference to your letter of the 5th instant which accompanied a draft of a Service Agreement, in duplicate, I have to draw your attention to my remarks at the meeting of Shareholders of Cheapside Syndicate Ltd. on the 30th October last when the question of my remuneration as from 1st April 1949 was raised. I referred shareholders to my letter of 5th April 1949, which I read out, and a copy of which is in your possession.

Since my letter of 5th April I have done a further period of seven months service on the contract.

20

Until the two year period of the contract expires at 31st March 1950 I am unable to consider any proposal for revised terms of service.

I return to you, therefore, the original copy of the draft of the Service Agreement you have sent to me.

Yours faithfully,
(Sgd.) G. STANLEY LEWIS.

30

THIS AGREEMENT made the day of November One Thousand Nine Hundred and Forty Nine (1949) BETWEEN CHEAPSIDE SYNDICATE LIMITED a company incorporated with limited liability under the Companies Ordinance of the Gold Coast Colony whose registered Office is at Knutsford Avenue, Accra, in the Accra District of the Eastern Province of the Colony aforesaid (hereinafter called the Company) of the one part and GEORGE STANLEY LEWIS of Christiansborg, Accra, aforesaid (hereinafter called the Assistant) of the other part

Exhibits

"1"

Letter,
G.S. Lewis to
Cheapside
Syndicate Ltd.
(with enclosure)

7th November,
1949.

- continued.

WHEREBY IT IS AGREED AS FOLLOWS:

1. The Company will employ the Assistant and the Assistant will serve the Company for the period and upon and subject to the terms and conditions hereinafter mentioned

2. The Assistant will:-

(a) Serve the Company for a term of five years from the 1st day of April 1949, as Assistant to the Managing Director of the Company or in any other capacity as the Company shall from time to time require.

(b) Not at any time either during the continuance or after the determination of his employment hereunder except by the direction of the Company divulge either directly or indirectly to any person or company any knowledge or information which he may acquire during the course of or as incident to his employment by the Company or any business property or transaction in which the Company may be or may have been concerned or interested.

(c) Not at any time be guilty of any act or conduct causing or calculated to cause damage to the Company its property or reputation but will in all respects and at all times conduct himself with propriety and decorum and in particular will show proper respect to all civil and religious institutions customs and practices of the inhabitants of (the Gold Coast Colony) West Africa and not in any way insult or attempt to abstract any such institution customs or practices.

(d) At all times during the said term diligently and faithfully employ his whole time in and about

Exhibits

"1"

Letter,
G.S. Lewis to
Cheapside
Syndicate Ltd.
(with enclosure)

7th November,
1949

- continued.

the business of the Company and endeavour to maintain and extend the same to the utmost of his ability and in such manner as he shall in his discretion think best PROVIDED ALWAYS that the Assistant shall so far as possible at all times and from time to time carry out and execute all express directions given to him in writing by the Company relating to the conduct of the said business and shall conduct the same for the greatest advantage of the Company and shall be just and faithful in all dealings and transactions in or about the said business and shall inform the Company of letters accounts writings acts of negligence dishonesty or other misconduct affecting the Company and things in anywise concerning the business within the knowledge of the Assistant and shall not either alone or in partnership with or as Manager servant or agent for any other person or otherwise howsoever directly or indirectly engage in any other trade or business or be occupied in any other business than that of the Company.

3. The Company will:-

(a) Subject as hereinafter provided pay to the Assistant during the term of this Agreement a salary at the rate of SEVEN HUNDRED POUNDS (£700) per annum as from the 1st day of April, 1949, such salary to be payable by equal monthly instalments of FIFTY EIGHT POUNDS SIX SHILLINGS AND EIGHT PENCE (£58.6.8d) in arrear on the last day of each month.

(b) At the close of every financial year after the balance sheet has been prepared the Directors of the Company will ascertain what profits, if any, have been made during the year and may allot as extra remuneration to the Assistant what in their discretion they consider fair and reasonable.

(c) Provide the Assistant with suitable living quarters or in the alternative pay rent up to but not exceeding the sum of One Hundred and Fifty Pounds (£150) per annum. It is however to be expressly understood that if such rent shall fall below the said sum of £150 the actual rent payable by the Company shall be the amount of rent demanded by the Landlord, during the term of this Agreement.

(d) Provide free medical attendance if available

(but not dental treatment) during such time as he shall continue in the service of the Company.

Exhibits

"1"

(c) Provide a free passage to the United Kingdom at the end of every completed term of three (3) years' service with three (3) months' holiday on full pay. The period occupied on the voyage not included in such holiday.

Letter,
G.S. Lewis to
Cheapside
Syndicate Ltd.
(with enclosure)

10 (f) Provide Car allowance up to but not exceeding the sum of One Hundred and Fifty Pounds (£150) per annum. In this connection however it is hereby expressly declared that the Company shall notwithstanding the maximum sum herein contained be liable to pay only the actual expenditure incurred on the Car during any period of one year.

7th November,
1949
- continued.

20 4. In the event of the Assistant leaving the employment of the Company before the completion of term of three years' residential service from any cause whatsoever except illness he will not be entitled to any passage to the United Kingdom or anywhere else nor to any holiday.

5. The Assistant shall not do any act or thing whatsoever whereby the said business or the stock-in-trade fixtures fittings articles and effects of or belonging thereto or any part thereof shall or may be seized taken in execution charged or affected or whereby the interests of the Company therein may be prejudicially affected.

30 6. If the Assistant shall at any time disobey or neglect or refuse to perform or comply with all lawful directions given to him by the Company in pursuance of this Agreement or shall fail to observe any of the conditions or stipulations of this Agreement or shall by his own conduct and or indiscretions suffer from frequent and continued illness or shall be guilty of insobriety the Company may immediately dismiss him from his employment hereunder and in such case he shall not be entitled to payment of any sum by the Company either by way of salary or otherwise.

40 7. This Agreement may be determined by either party at any time by giving three (3) months' previous notice in writing to that effect to the other party and may be determined without notice by the Company in the event of the Assistant becoming

Exhibits

"1"

Letter,
G.S. Lewis to
Cheapside
Syndicate Ltd.
(with enclosure)

7th November,
1949

- continued. sic.

insolvent or committing any breach of any stipulation on his part herein contained

8. The Assistant shall not during the continuance of this Agreement be interested directly or indirectly in any business profession or trade except the business of the Company to which he shall devote his whole time and attention and after the determination of this Agreement shall not for a period of one year next be engaged in or directly or indirectly interested in any business similar to or competing with the business of the Company within a radius of fifty (5) miles from the said business premises and shall not in any case solicit orders after such determination from persons who during the continuance of this Agreement have been customers of or have had business relations with the Company.

10

IN WITNESS WHEREOF the said CHEAPSIDE SYNDICATE LIMITED have caused their Common Seal to be hereunto affixed And the said GEORGE STANLEY LEWIS has hereunto set his hand and seal the day and year first above written

20

THE COMMON SEAL of the above-)
named CHEAPSIDE SYNDICATE)
LIMITED was duly affixed to)
these presents and the same)
were duly delivered in the)
presence of us)

Managing Director

Secretary

30

SIGNED SEALED AND DELIVERED)
by the within-named GEORGE)
STANLEY LEWIS in the pres-)
ence of)

"A"

Exhibits

LETTER, G. FRANCOIS to G.S. LEWIS

"A"

CHEAPSIDE SYNDICATE LIMITED,

P.O. Box 208,
Accra.
8th February, 1950.

Letter,
G. Francois
to G.S. Lewis.
8th February,
1950.

G.S. Lewis, Esq.,
Accra.

Dear Mr. Lewis,

10 Owing to reorganisation in the work of Cheap-
side Syndicate Limited, I regret exceedingly that
your long association with the Company has to come
to an end.

The Company will prefer you to take Salary in
lieu of notice and in all matters concerning your
balance with the Company will you kindly put your-
self in communication with the Secretary of the
Company who will receive instructions.

Yours faithfully,

20 (Sgd.) GEORGE FRANCOIS
CHAIRMAN AND MANAGING DIRECTOR.

"KK"

"KK"

LETTER, G.S. LEWIS to G. FRANCOIS

P.O. Box 208,
Accra.
9th February, 1950.

Letter,
G.S. Lewis to
G. Francois.
9th February,
1950.

George Francois, Esq.,
Cheapside Syndicate Ltd.,
Accra.

30 Dear Mr. Francois,

I acknowledge your letter of yesterday and
have noted that you are desirous that my associa-
tion with the company should come to an end. In

Exhibits

"KK"

Letter,
G.S. Lewis to
G. Francois.

9th February,
1950
- continued.

order to give effect to your decision it is necessary that you first pay me all remuneration due to me by the company on its operation up to the period ending 31st March 1949; viz: £4199.12.10 made up as follows:-

| | | | | |
|---|-----|-----|------------|----|
| Arrears of salary to 31st March 1948 stated in your letter of 31st January 1950 to be | ... | ... | 2627.18. 2 | |
| Remuneration by share of profits for the year April 1948/March 1949 | | | 3571.14. 8 | 10 |

Concerning the second paragraph of your letter, I am unable to deal with the Secretary of the company concerning remuneration due to me by the company as the Secretary of the company does not attend to the financial side of the business of the company.

There can be no question of salary in lieu of notice as your letter suggests, since I am not on salary: I refer you to my letter of 7th November 1949 addressed to the secretary of the company, a copy of which you received. My share of profits for the period April 1949 to March 1950 less any cash drawings by me during the period cannot of course be paid to me until after the accounts for this period have been balanced. But as you desire that my association with the Company should cease abruptly before 31st March, 1950, the company must pay me forthwith the remuneration due to me in the sum above stated. 20

As soon as payment of this amount has been effected I shall consider myself relieved of my duties with the Company. 30

Yours faithfully,

(Intd.) G.S.L.

Copies to the Secretary and other directors of the Company.

139.

"JJ"

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS.

Exhibits

"JJ"

CHEAPSIDE SYNDICATE, LTD.,
P.O. Box 208,
ACCRA,
GOLD COAST COLONY.

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.

10th February, 1950.

10th February,
1950.

10 G. STANLEY LEWIS, ESQUIRE,
ACCRA.

Dear Sir,

I am directed to inform you in reply to your letter of 9th February 1950 to Mr. Francois that your association with the Company has not been "Abruptly" terminated. You have not been on speaking terms with the Managing Director for some months and you must have expected that an end would be put to an association which was no longer an association.

20 The question of whether you are on salary or on share of profits is a legal issue in which I am instructed not to enter. I am instructed to say that there is no difficulty about arrears of salary. Your claim is for \$627.18.2 in respect of these arrears and when you inform the Company of your wishes whether this amount is to be paid direct to you or to any bank that you name effect will be given to your wishes immediately. If you desire a
30 cheque will you kindly return to me the Company Cheque Book in your possession.

40 Share of Profits April 1948-March 1949. An amount of £3571.14.8 stands in your name in Suspense Account. At 31st March 1949 cash in Cheapside coffers could not meet even customers deposits and the profits were arrived at on the value of goods on the ground at Cost Price. You have had the job of realising cash for those goods up to 8th February 1950. It is a matter of mathematical computation to which your talents can be employed to determine what the 1/3 profits on ground stock actually realised. When the goods are still in stock the current sales price can be determined or agreed upon.

Exhibits

"JJ"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.

10th February,
1950.

- continued.

I am further instructed to say that a settlement will be made in the most reasonable spirit and with good will regard being had to realities.

Your services with Cheapside Syndicate Limited terminated on 8/2/50 by the Chairman and Managing Director's letter. If you are of opinion that they have not terminated then that is a legal issue into which I am instructed not to enter.

We are, Dear Sir,
Yours faithfully,

10

Cheapside Syndicate Ltd.
(Sgd.) C.C.LOKKO
SECRETARY.

"B"

Letter,
Cheapside
Syndicate Ltd.
to G.S. Lewis.

15th February,
1950.

"B"

LETTER, CHEAPSIDE SYNDICATE LTD.
to G.S. LEWIS.

CHEAPSIDE SYNDICATE LIMITED,
P.O. Box 208,
Accra,
Gold Coast Colony.
15th February, 1950.

20

G. Stanley Lewis, Esquire,
Accra.

Dear Sir,

We are in receipt of your letter of the 11th February addressed to Mr. Francois.

I am instructed to say that to implement the third paragraph of our letter of the 10th instant a start has been made to arrive at your 1/3 profits which formed part of our ground stock at 31st March, 1949. As only a fraction of the goods has been sold it will take some time to arrive at the final figure. 30

I am instructed to express regret that re-organisation dispensing with your services had to be resorted to before settlement.

We are, Dear Sir,
Yours faithfully,
For & on behalf of Cheapside
Syndicate Limited.
(Sgd.) C.C.LOKKO
SECRETARY.

40

"C"

LETTER, J. SARKODEE-ADOO to
CHEAPSIDE SYNDICATE LTD.

SARKODEE-ADOO,
P.O. Box 283,
Accra.
Gold Coast Colony.
17th February, 1950.

Exhibits

"C"

Letter,
J. Sarkodee-Adoo
to Cheapside
Syndicate Ltd.
17th February,
1950.

Telephone No.415.

10 The Chairman and Managing Director,
Cheapside Syndicate,
P.O.Box 208,
Accra.

Sir,

I am instructed by my client Mr. G. Stanley Lewis of Accra to demand of you immediate payment to me for and on his behalf the total of the amounts due and owing to him according to our books and comprising:-

- 20 (a) His arrears of salary up to and including 31st March, 1948.
- (b) His ONE THIRD share of profits for the year April, 1948 to March, 1949.

This demand is without prejudice to, and exclusive of, any amounts that may be due and payable to him after the settling of your Accounts for the year April 1949 to March, 1950.

30 This demand has been necessitated by your letter of the 8th February, 1950 expressing your desire that my client's association with the Company should come to end.

I am further instructed to say that should you fail to effect full payment in the course of SEVEN DAYS, this is, on or before the 25th February, 1950, legal proceeding will be instituted for recovery of same.

Yours faithfully,

(Sgd.) SARKODEE-ADOO

SOLICITOR FOR G.STANLEY LEWIS.

Exhibits

"J"

"J"

LETTER, CHEAPSIDE SYNDICATE LTD.
to J. SARKODEE-ADOO

Letter,
Cheapside
Syndicate Ltd.
to J. Sarkodee-
Adoo.

CHEAPSIDE SYNDICATE, LTD.

23rd February,
1950.

P.O.Box 208,
Accra.
Gold Coast Colony.
23rd February, 1950.

J. Sarkodee-Adoo, Esq.,
Barrister-at-Law,
Accra.

10

Dear Sir,

We have for acknowledgement your letter of
17th inst.

We have attached to this letter 3 Statements:-

- (a) Personal Account shewing Salary due
your client.
- (b) Transfer from Advance Account to Personal
Account.
- (c) Suspense Account.

20

Your client has by letter claimed salary to
31/3/48 only. Statement (a) as you will see com-
putes salary to 31/3/50. Termination of appoint-
ment was on 8/2/50 and Salary has been credited to
31/3/50. This amount of £960.18.10 you can have
on demand. Demand has been made and cheque is en-
closed.

There remains your client's 1/3rd share of
profits vide Statement (c). It is only necessary
here to state why this amount is placed in Suspense
and how and when the Company will settle.

30

This 1/3rd profit was not a Cash profit but was
arrived on the Ground stock value of goods at Cost
Price on stocktaking at 31/3/49.

This ground stock is not readily saleable.
Long before our last financial stocktaking at
31/3/49 and up to 8/2/50, the date of termination

of your client's appointment, your client had the task of disposing of this stock with no marked success. We would further add that your client was to the extent of 99% responsible for the indenting of these goods and to 100% of their sale at whatever price the goods could fetch.

We have not been long engaged in trade and those unsaleable goods represent, in fact, "ERRORS OF EXPERIENCE".

10 It was discovered, in the interim, between our financial stocktaking at 31/3/49 and the preparation of our Balance Sheet for the year 1/4/48 - 31/3/49 that most of the goods shown at Cost Price at the financial stocktaking were not being sold at all and a large proportion of what was being sold was sold at undercost which made our statement of profits based on Cost Price rather inflated in the circumstances.

20 The suggestion was made that the Ground Stock really represented only a percentage of the actual value and should be so treated. Your client resisted this suggestion on the ground that it was an attempt to cheat him of his full third share.

30 The Accounts were, therefore, submitted to the Income Tax Authorities as they stood. The suggestion that the Ground Stock represented only a percentage of the actual value (This must have been anathema to the Income Tax Authorities) as well as your client's repudiation of such a suggestion of percentage was all submitted.

Your client's third share was placed in a Suspense Account for obvious reasons. If your profits are in unsold goods that you have ordered and cannot sell and when you do sell you sell below cost, Equity, in our view, does not demand that the Company has to find money outside of these goods to meet in cash unreal profits on "ERRORS OF EXPERIENCE".

40 But the Company does not rest there. The real value of your client's third share can be mathematically ascertained. What goods that have been sold out of the Ground Stock at 31/3/49 are known and the differentials between the Cost Price and the Selling Price are known. The remainder of the Goods is with Cheapside Syndicate Limited.

Exhibits

"J"

Letter,
Cheapside
Syndicate Ltd.
to J. Sarkodee-
Adoo.

23rd February,
1950

- continued.

Exhibits

"J"

Letter,
Cheapside
Syndicate Ltd.
to J. Sarkodee-
Adoo.

23rd February,
1950
- continued.

The Company will begin its financial stock-taking on Saturday 25th March, 1950. We invite your client to be present at this stocktaking so that your client can ascertain himself how much is left of the goods on which his claim is based. Your client will be accorded the utmost courtesy while so engaged.

That done. Your client has the option of accepting from the Company a third section of the remaining goods at Cost Price and payment in cash of what his third of sales already made represents. This is one alternative mathematically ascertainable. The other is that at 31/3/50 when we devalue this old stock and ascertain what his third profit represents at the devalued price plus what his third share on sales represents a total can be arrived at and we will make proposals for settlement. 10

In view of the work involved we estimate that we will be ready with these figures not later than 31/7/50. We will, of course, endeavour to complete the account earlier if we can. 20

It would have been a happier position, if your client was still an employee of this Company while these adjustments were being made but, unfortunately, his services had to be terminated for gross misconduct which no management could tolerate.

Every Calling in Life has its code of decency. To receive Solicitor's letters from a dismissed employee is one of the minor afflictions of Life but that a dismissed employee should use a Company's office to which he holds a key as a rallying point from which to conduct his attacks against the Company is indecent. 30

Lastly, we have taken the trouble to state, at some length, our points of view. No doubt, with many of them your client will be in disagreement. We would be greatly obliged to you if in such a case you seek your remedy at the higher tribunal you have been considerate enough to mention as the Arbiter. 40

Yours faithfully,
FOR & ON BEHALF OF CHEAPSIDE
SYNDICATE LTD.
(Sgd.) GEORGE FRANCOIS
MANAGING DIRECTOR.

"J1"

Exhibits

STATEMENT "A", SALARY ACCOUNT, G.S. LEWIS

"J1"

STATEMENT "A"

Statement "A"
Salary Account,
G.S. Lewis.

SALARY ACCOUNT GEORGE STANLEY LEWIS

| | | Dr. | | Cr. | | | |
|------------|------------------------------|-------|--------|---------|--------------------------|--------------|--------------|
| | | £ | s. d. | £ | s. d. | | |
| 1/4/47 | To Remittance to U.K. | 150. | 0. 0 | 1/4/47 | By Balance | 473. | 10. 5 |
| to | " Amount drawn Bank | 90. | 0. 0 | to | " Remittance U.K. | | |
| 31/3/48 | " Transfer from Advance A/c. | 168. | 13. 3 | 31/3/48 | reversed & placed | | |
| | " Balance | 628. | 17. 2 | | Advance A/c. | 150. | 0. 0 |
| | | | | | " Interest on Deposit | 14. | 0. 0 |
| | | | | | " Salary 12 months | 400. | 0. 0 |
| | | | | | | <u>1037.</u> | <u>10. 5</u> |
| | | 1037. | 10. 5 | | | | |
| 1/4/48 | To Cash Book Balance Debited | 29. | 19. 2 | 1/4/48 | By Balance | 628. | 17. 2 |
| to | " Drawings Barclay's Bank | 465. | 0. 0 | to | " Salary 12 months | 500. | 0. 0 |
| 31/3/49 | " Lorry cartage disallowed | 7. | 7. 0 | 31/3/49 | " Interest on deposit | 19. | 0. 0 |
| | " Balance | 645. | 11. 0 | | | <u>1147.</u> | <u>17. 2</u> |
| | | | | | | | |
| | | 1147. | 17. 2 | | | | |
| 1/4/49 | To Drawings Barclay's Bank | 376. | 5. 0 | 1/4/49 | By Balance | 645. | 11. 0 |
| to | " " from cash | 25. | 0. 0 | to | " Salary 12 months | 700. | 0. 0 |
| 8/2/50 | " X'borg premises | 24. | 18. 0 | 8/2/50 | " Rental X'borg premises | 24. | 18. 0 |
| | " Balance | 960. | 18. 10 | | " Interest on deposit | 16. | 12. 10 |
| | | | | | | <u>1328.</u> | <u>15. 2</u> |
| | | 1328. | 15. 2 | | | | |
| <u>sic</u> | | | | 9/2/50 | By Balance due G.S.Lewis | 960. | 18. 10 |

FOR & ON BEHALF OF CHEAPSIDE SYNDICATE LTD.

(Sgd.) GEORGE FRANCOIS
MANAGING DIRECTOR.

"J2"STATEMENT "B". LEAVE ADVANCE ACCOUNT, G.S. LEWISSTATEMENT "B"GEORGE STANLEY LEWISLEAVE ADVANCE ACCOUNT

| Dr. | £. s. d. | | Cr. |
|------------------------|-----------|----------------------------|-----------|
| | | | £. s. d. |
| 31/3/47 Fare to London | 55. 4. 0 | 31/3/47 Fare to London | 55. 4. 0 |
| Remittance London | 150. 0. 0 | 51/3/48 Expenses Transfers | 3.12. 2 |
| 31/3/48 Remittances | 232.16.11 | Expenses on Leave | 283.12. 5 |
| " | 25.15. 3 | Transfers Personal Ac. | 168.15. 3 |
| Ex Biddle Sawyer | 47. 5. 8 | | |
| | 511. 1.10 | | 511. 1.10 |

FOR & ON BEHALF OF
CHEAPSIDE SYNDICATE LTD.
(Sgd.) GEORGE FRANCOIS
MANAGING DIRECTOR.

Exhibits"J2"

Statement "B"
Leave Advance
Account, G.S.
Lewis.

"J3"STATEMENT "C". SUSPENSE ACCOUNT, G.S. LEWISSTATEMENT "C"GEORGE STANLEY LEWISSUSPENSE ACCOUNT

| Dr. | | Cr. |
|-----|---|--------------------|
| | 31/3/49 1/3rd. profits of £10,715. 4. 7 being goods in stock reckoned at Cost Price and unrealisable at Cost Price | <u>£3571.14. 8</u> |

FOR & ON BEHALF OF
CHEAPSIDE SYNDICATE LTD.
(Sgd.) GEORGE FRANCOIS.
MANAGING DIRECTOR.

"J3"

Statement "C"
Suspense
Account,
G.S. Lewis.

"D"Exhibits

LETTER, J. SARKODEE-ADOO to
CHEAPSIDE SYNDICATE LTD.

"D"

SARKODEE-ADOOTelephono No.415.

Juabeng Chambers,
 P.O. Box 283,
 Accra.
 Gold Coast Colony.
 25th February, 1950.

Letter,
 J. Sarkodee-
 Adoo to
 Cheapside
 Syndicate Ltd.

25th February,
 1950.

10 The Chairman and Managing Director,
 Cheapside Syndicate Limited,
 Accra.

Dear Sir,

20 I acknowledge with thanks your letter of 23rd
 instant. I have noted from the last paragraph your
 persistence to have my client's claim decided in
 the Law Courts. In view however of the long
 association of my client (Mr.Lewis) with your Com-
 pany, it is hoped and indeed desirable that, as
 far as practicable, resort may not, in the circum-
 stances, be made to the Law Courts.

The gist of your letter is:-

- (a) that you wish my client's one-third share
 of profits for the year April 1948/March
 1949 reduced in amount;
- (b) that although you claim to have dismissed
 my client you wish to pay him this remunera-
 tion already nearly a year due when and
 as you please.
- 30 A satisfactory solution without recourse to
 the Law Courts is therefore dependent upon:
- (a) agreement as to what is your estimate that
 the profits for the year April 1948/March
 1949 actually were; and
- (b) If an agreeable figure can be arrived at as
 to profits for April 1948/March 1949, im-
 mediate payment of this amount to my client
 in order to put an end to an association
 which you no longer desire. The injustice
 40 of retaining what is due to one whose ser-
 vices you no longer wish to retain is ap-
 parent.

Exhibits

"D"

Letter,
J. Sarkodee-
Adoo to
Cheapside
Syndicate Ltd.

25th February,
1950.

- continued

The round about methods which you suggest for reducing the amount of profits for the year April 1948/March 1949 are based on the trading for the year April 1949/March 1950, and not on the trading for the year April 1948/March 1949. As fluctuation in prices of Goods subsequent to 31st March 1949 obviously cannot affect the results of trading prior to 31st March 1949 but must affect the results of the year in which such fluctuations have occurred, viz: April 1949/March 1950, there is evidently no reason why stocktaking at 31/3/50 should affect the trading period April 1948/March 1949. On the basis you propose, profits for any particular year would never be arrived at until every item of goods in stock at the close of that particular year was disposed of, and on such a basis profits could never be allotted at the close of any year to those who share in them either by way of remuneration, bonus or dividends. 10

As my client's services are no longer required, in the interest of all concerned, your Company should immediately assess what depreciation, as claimed by you, had already taken place at 31/3/49 in value of stock held at that date, endeavour to reach agreement with my client as to the amount of such depreciation at 31/3/49, ascertain to what extent his share of profits for the year April 1948/March 1949 will be affected thereby, and pay him off as you have had to pay anyone else whose services you did not require. Any other proposal is strongly suggestive of intent to delay unduly and indefinitely payment of the remuneration due to my client for the year April 1948/March 1949. 20 30

In as much as any statement of my client's account to 31st March 1950 is incomplete if it does not take into account his remuneration for the period April 1948 to March 1949, my client prefers to defer the acceptance of payment until the account for the whole period or to 31/3/49 has been agreed upon. In the result, in pursuance of my client's instructions, I return herewith your cheque for Nine Hundred and Sixty Pounds Eighteen Shillings and Ten Pence (£960.18.10). 40

With reference to the last paragraph but one of your letter it is pertinent to observe that the trend of the correspondence purporting to emanate from the secretary of the Company left my client on other alternative than to seek legal advice. As soon as what is due to my client has been paid by your Company, his association with your company will be at end and he will vacate your company's office accordingly. 50

Your early attention will oblige.

Yours faithfully,
(Sgd.) SARKODEE-ADOO
SOLICITOR FOR G. STANLEY LEWIS.

"E"

Exhibits

LETTER, J. SARKODEE-ADOO to
CHEAPSIDE SYNDICATE LTD.

"E"

SARKODEE-ADOO

Juabeng Chambers,
P.O.Box 283,
Accra.
Gold Coast Colony.
17th March, 1950.

Letter,
J. Sarkodee-
Adoo to
Cheapside
Syndicate Ltd.

17th March,
1950.

10 The Chairman and Managing Director,
Cheapside Syndicate,
P.O. Box 208,
Accra.

Dear Sir,

I have the honour to refer you to your letter
of the 25th February, 1950, written on behalf of
my client, Mr. G. Stanley Lewis.

Your early attention in the matter will oblige.

Yours faithfully,
(Sgd.) J. SARKODEE-ADOO
SOLICITOR FOR G.STANLEY LEWIS.

20

"H"

"H"

LETTER, CHEAPSIDE SYNDICATE LTD.
to J. SARKODEE-ADOO

Letter,
Cheapside
Syndicate Ltd.
to J.Sarkodee-
Adoo.

CHEAPSIDE SYNDICATE, LTD.
ESTABLISHED 1928.

P.O. Box 208,
Accra,
Gold Coast Colony.
18th March, 1950.

18th March,
1950.

30

J.Sarkodee-Adoo, Esq.,
Solicitor for Mr.G.Stanley Lewis,
P.O.Box 283,
Accra.

Dear Sir,

We acknowledge your letter of the 17th inst.
Your letter of 25th February contained so

Exhibits

"H"

Letter,
Cheapside
Syndicate Ltd.
to J.Sarkodee-
Adoo.

18th March,
1950
- continued.

many misrepresentations that no basis existed for continuing the correspondence.

Towards the end of this current month we will forward proposals for settlement.

Yours faithfully,

p.p. Cheapside Syndicate Ltd.
(Sgd.) GEORGE FRANCOIS
MANAGING DIRECTOR.

"P"

Letter,
Cheapside
Syndicate Ltd.
to J.Sarkodee-
Adoo.

30th March,
1950.

"P"

LETTER, CHEAPSIDE SYNDICATE LTD.
to J. SARKODEE-ADOO

10

CHEAPSIDE SYNDICATE, LTD.

P.O. Box 208,
Accra.
Gold Coast Colony.
30th March, 1950.

J.Sarkodee-Adoo, Esq.,
Barrister-at-Law,
Accra.

Dear Sir,

20

Your client's (G.Stanley Lewis) allocation of profits is shewn in our accounts as £3571;14;8 in Goods (not in cash) out of a total goods stock at 31/3/49 of £17989;15;10. This works out at 19:85%.

Schedule "A" (Wholesale Store)

| | | |
|------------------------|-------|-------------|
| | shews | £3040; 0; 1 |
| " " "B" (Retail Store) | " | 531;14; 7 |

| | | |
|------------|-----|--------------------|
| A total of | ... | <u>£3571;14; 8</u> |
|------------|-----|--------------------|

for your client.

30

As we pointed out in our letter dated 23/2/50, if your client was still an employee, it would have been an easy matter for internal adjustment of his allocation of profits for the year 1/4/48 to 31/3/49 as and when the goods were sold; but your

client's services had to be terminated for misconduct so gross as to bring the Company into disrepute and we have no option if we are to effect immediately settlement but to ask your client to make arrangements to clear these goods. It would be a great convenience to us if the clearance were concluded before 30/4/50. A member of our staff will attend for the purpose.

Exhibits

"p"

Letter,
Cheapside
Syndicate Ltd.
to J.Sarkodoo-
Adoo.

30th March,
1950
- continued.

10 If, when delivery is being made, it transpires that some goods have been sold, your client will, of course, receive in cash the amount of such sales. To cover Company overheads viz. Salaries, Rents, Insurance, Banking, Handling etc. a 10% charge on such sales will be made. For the same reason a 5% charge will be made on the unsold goods.

20 As the allocation is worked out on a percentage basis there will be instances of the amounts shown in the Schedules being over or under the nearest unit price of the article. Adjustment in these cases will be made in the most conciliatory spirit to finalise the settlement.

Yours faithfully,

FOR & ON BEHALF OF
CHEAPSIDE SYNDICATE LTD.

(Sgd.) GEORGE FRANCOIS.
MANAGING DIRECTOR.

Exhibits

"F"

"F"

LETTER, J.SARKODEE-ADOO to
CHEAPSIDE SYNDICATE LTD.

Letter,
J.Sarkodee-
Adoo to
Cheapside
Syndicate Ltd.

24th August,
1950.

J.SARKODEE-ADOO
Barrister-at-Law
and
Solicitor
Supreme Court, Gold Coast.

Telephone No.415.

Juabeng Chambers,
P.O. Box 283,
Accra.
Gold Coast Colony.

24th August, 1950.

10

The Chairman & Managing Director,
Messrs. Cheapside Syndicate Ltd.,
P.O.Box 208,
Accra.

Dear Sir,

With reference to previous correspondence, I
am instructed by my client, Mr. G. Stanley Lewis,
to make final demand for the amount due to him by
you in respect of remuneration by way of arrears
of salary and share of profits.

20

As more than six months have elapsed since
the demand was first made, if it is your intention
to settle with my client, will you please let me
have your cheque in settlement before the 31st in-
stant.

Yours faithfully,

(Sgd.) J. SARKODEE-ADOO.

SOLICITOR FOR G. STANLEY LEWIS.

"G"

Exhibits

"G"

LETTER, J. SARKODEE-ADOO to
CHEAPSIDE SYNDICATE LTD.

Letter,
J. Sarkodee-
Adoo to
Cheapside
Syndicato Ltd.
14th September,
1950.

J. SARKODEE-ADOO,
Barrister-at-Law
and
Solicitor,
Supreme Court, Gold Coast.

Juabeng Chambers,
P.O. Box 283,
Accra.
Gold Coast Colony.

14th September, 1950.

Telephone No.415.

10 The Chairman & Managing Director,
Messrs. Cheapside Syndicate Ltd.,
P.O. Box 208,
Accra.

Dear Sir,

I have the honour to draw your attention to my letter of the 24th ultimo concerning the amount due to my client, Mr. G. Stanley Lewis, in respect of remuneration by way of arrears of salary and share of profits.

20 If it is not your wish that my client should resort to legal proceedings in respect of his claim, will you please give the matter your early attention and oblige.

Yours faithfully,

(Sgd.) J. SARKODEE-ADOO

SOLICITOR FOR G.STANLEY LEWIS.
