

CHAPTER VI

The effect of the sudden death of her husband, in his forty-second year, on Helen Ashwell, and on her four young children, can be imagined; and, also, for the firm he had founded it was nothing short of a disaster. The partnership had been in existence for only four years. David Nesbit was a resourceful engineer and a great deal of credit was due to him for the success of the heating department of which he had been in charge since 1884; but the commercial and financial aspects of the business had been very largely in the hands of his senior partner. The latter had been responsible for finding the capital outlay to run their affairs and, in addition, had reserved the management of the works entirely to himself. Also much of the goodwill of the firm was vested in Frank, who had built up a fine connection both in the heating and the mechanical trades.

David Nesbit was still manager in London, which had become the real centre of the heating and ventilating side of the business, and arrangements had hurriedly to be made to hand over the responsibility of the office in Great James Street to a deputy, while he returned to Leicester to look after the remainder of the business. There were a number of important contracts in progress, including the Manchester City Asylum, which may well have demanded his attention; but at this time his more urgent task was to take charge at Sycamore Lane.

It was clearly the firm's professional advisers who would have the responsibility now of counselling and assisting the surviving partner, and of deciding, with him, the course of action to be followed in the future. They had also to satisfy themselves that the interests of Frank Ashwell's widow would be safeguarded and her family assured that suitable provision would be made for her. The two men most closely associated with Ashwell and Nesbit were, firstly, Frank's brother Arthur Ashwell, who acted as legal adviser; and secondly, Mr. T. G. Mellors, an accountant with a practice in Nottingham, who had been Frank's auditor. Helen Ashwell would have turned to the former of these, and to her brother Wilfred Ellis, for the help and advice she needed.

It would now be expedient to examine the position of the firm at the end of 1896 in terms of figures. On the heating side the value of contracts in hand amounted to £65,000 and in the manufacturing department work in progress was estimated at about £5,000. The fixed assets, including the freehold property in Leicester, were valued at £11,000 and stock in trade at £7,000. By this time Frank

Ashwell's capital had reached over £11,000 and that of David Nesbit was approaching £4,000 so the business had been doing fairly well; the nett profit over the previous three years having been at the rate of £4,500 per annum on an average turnover of £39,000.

The partnership agreement between Frank Ashwell and D. M. Nesbit stipulated that in the event of the former's death the partnership would be deemed to be terminated on the following 30th June; but Frank's Executors would have the right to continue the full partnership term of seven years if they chose to do so. However, in the light of the above quoted figures, and with only one surviving partner, the solution was to form a limited company, and in due course this decision was taken.

The Company, to be known as Ashwell and Nesbit Ltd., was incorporated on the 29th October 1897. The first directors were Arthur Ashwell, who was elected chairman; Charles, Frank's eldest brother, who had inherited the family business at Nottingham; David Nesbit, who was designated managing director, and R. E. Atkinson, who had been the chief assistant to the partners. As Arthur Ashwell was an officer of the company it was thought right to appoint Mr. E. J. Gill of Leicester as joint solicitor with Mr. George Tutin, Arthur's partner. The Registered Office was to be Sycamore Lane but at David Nesbit's insistence 12 Great James Street, the London office, was to be regarded as Head Office and was so styled on the letter heading.

After incorporation it was necessary for the company to purchase the business from the surviving partner and an agreement was drawn up to give effect to this transaction. The consideration for the sale was to be the sum of £46,000, which was made up by the issue of a Mortgage Debenture of £11,000 carrying interest at the rate of 5% per annum, and 35,000 ordinary shares of 20/- each to D. M. Nesbit or his nominees. The Debenture was passed to Frank Ashwell's executors for the benefit of his widow; and of the shares 17,400 were allotted to D. M. Nesbit, 10,000 to the two Ashwell brothers and the remainder to Nesbit's official 'nominees'. The latter numbered twenty-six persons of whom seventeen were members of the staff; these included the Secretary, Arthur Greenwood, the Cashier, F. O. Robinson, and the Chief Draughtsmen at London and Leicester, John Lund and Harry Waudby respectively. A further Mortgage Debenture for £6,000 was issued to the bank as security for the company's current account. The nominal capital was set at £40,000 in 20/- shares of which 38,411 had been issued and fully paid by 30th June, 1898. The arrangements made for the benefit of Helen Ashwell gave her an income of £550 a year, which was about half the amount enjoyed by the family in the last year of her husband's life. Fortunately something had been set aside for the education of

the children but Frank's capital consisted almost entirely of his investment in the business.

The property in Leicester which was now handed over to the company can best be described in the words of the purchase agreement. It comprised 'two messuages or tenements used as offices with the two warehouses, showrooms and office. And also all that Engine House, Moulding House and shop and other buildings, and the Fitting Shop, Pattern Shop and Sheds erected on a piece of ground (formerly garden) adjoining and containing one rood eight perches or thereabouts'. This was the property originally bought from Illston but in addition there were eight tenements in Jewry Wall Street and a further seven in the yard at the back of the foundry buildings which were used as storerooms or workshops; and which had been acquired later by Frank Ashwell. After the formation of the company further property in Jewry Wall Street was purchased from a Mr. Willey for £1,000 which was borrowed from the bank, the title deeds being lodged therein as security for the loan.

The first statutory meeting of shareholders was held on the 13th of January 1898, the minutes of which were probably the shortest in the history of the company. They were as follows: "The Secretary read the notice convening the meeting and explained that the Company had been registered and the business was progressing satisfactorily". Subsequently a general meeting was assembled on the 1st of September at which the first Balance Sheet was laid on the table.

CHAPTER VII

During the early months of 1897 a comprehensive re-organisation of the management had to be carried through in an endeavour to fill the gap caused by Frank Ashwell's death. As we have seen D. M. Nesbit had naturally taken upon himself the role of managing director and a great deal of additional responsibility now devolved upon the junior director, R. E. Atkinson. Although he had acted as outside representative for the heating side for some years he was now given the task of taking over the management of the works, assisted by Arthur Greenwood, who was secretary of the company, and by the senior foreman, Wallace Wright. In London a Mr. Bentley became manager, but it seems probable that he remained with the company only a short time as no further reference to him occurs in later records. He was supported in the administration of the office by T. E. P. Cornwell who was a shareholder and who was appointed assistant manager in June 1898. John Lund was chief draughtsman in London and H. W. Waudby was given this designation in the Leicester office; whilst the general supervision of the heating and ventilating work at Leicester was taken over by Thomas Smith who had been R. E. Atkinson's chief assistant. A printed circular, announcing the formation of the company, referred to the changes in the management structure and other matters; and ended rather fulsomely: "In asking that the confidence which has so long been reposed in the old firm may remain uninterrupted allow us to tender, on behalf of the new administration, the assurance that your continued reliance will be justified by our future conduct of the business'. One of its paragraphs refers to the adoption of the word "Plenum" as the registered telegraphic address for all offices, and such it has remained.

In order to concentrate the company's activities in the contracting field the Newcastle office was disbanded in April 1898 to be followed shortly by the Dublin office, which was closed when current contracts at the Omagh and Enniscorthy Asylums were completed. This centralisation would tend to support other evidence that Arthur Ashwell and his brother Charles were making efforts to impose economies on the firm. As a company it would have new commitments to meet in addition to satisfying debenture and shareholders, and the new management had had little experience in financial matters. However, in spite of a policy of retrenchment, two major projects were undertaken early in 1898. The first of these was to effect an amalgamation with a firm of electrical contractors, Messrs. Lund Bros. and Company of Oxford Street, London, who were controlled by one Richard Lund. An electrical department had been

in existence for several years but for one reason or another it had not been successful. However, David Nesbit considered such a department to be an essential ancillary to a heating and ventilating business and would have been strongly in favour of the new merger. In the event Lund Brothers were taken over entirely and subsequently Richard Lund's connection was terminated.

Secondly, it was decided to form a subsidiary company to be known as British Steam Specialties Ltd. At first this off-shoot was to be "for manufacturing purposes" but in fact it became largely concerned with marketing the parent company's products. The relationship between Ashwell and Nesbit and B.S.S. Ltd. was codified in an agreement drawn up in 1900 to which further reference will be made in the next chapter.

Another step taken in 1898 was to instruct Mr. Pick, the Architect, to prepare plans for extensive alterations to the Sycamore Lane Works. It is true that it consisted partly of a warren of small buildings which were no doubt cramped and inconvenient; but the property was already under mortgage and ready money was tight. In fact, although further houses in Jewry Wall Street were bought in January 1899 Mr. Pick's plans for the old works never materialised. In 1899 Sycamore Lane was renamed Great Central Street following the development of the railway station and marshalling yards. In that year also the company bought seven more tenements in Jewry Wall Street for £800 and this brought the value of the freehold property in Leicester to a total of £8,700 although the bulk of it was mortgaged to the Leicester Temperance Building Society.

The second annual general meeting of shareholders took place on the 26th September 1899. Including the officers of the company only nine persons attended. The Secretary was now F. O. Robinson, who had been promoted from his position as cashier in place of Arthur Greenwood who had resigned in the previous October. In his opening remarks the chairman was able to congratulate the shareholders on the success of the year's working and moved that a dividend of 5% free of income tax be declared. Trading results in the previous year had been extremely disappointing, although this was partly due to a strike of engineering workers which had had a serious effect on the company's operations. However, there had been a marked recovery in 1898/9 when sales had increased by £10,000 to £55,000 and the company had been able to declare a nett profit after tax of nearly £4,000.

By the turn of the century the company was amongst the leaders in the Heating and Ventilating industry although at this time all the work was done from London and Leicester. As has been shown this

did not confine operations to a restricted area and work was being carried out all over Great Britain. In August 1899 the contract for extensive works at the Belfast City Hall was signed and at the same time installations were in progress at University College Hospital, The Royal London Ophthalmic Hospital, the Rover Cycle Works at Coventry and the Durham County Council buildings. Mental institutions still figured largely in the order book and in the last few months of the nineteenth century orders had been received for heating new extensions at the Newcastle-on-Tyne, Wakefield and Upton Asylums. The next few years were to see the establishment of several branch offices and this proliferation has continued unabated into the present era as we shall see.

During Frank Ashwell's time the works had always been considered the chief department of the firm although the heating activities had gradually overtaken the manufacturing side in terms of sales, though not in profitability. After his death, however, the emphasis shifted altogether towards contracting and the works became an adjunct of the heating and ventilating department, turning out specialities such as radiators, traps, grease separators and calorifiers, mostly invented or designed by D. M. Nesbit. A small jobbing connection was maintained for the foundry and some of the old lines still continued in production.

In spite of the first whisperings of financial difficulties Ashwell and Nesbit Ltd. entered the twentieth century in a fairly strong position and with a growing reputation in the engineering services industry. D. M. Nesbit had great confidence in himself and in his firm but nevertheless the guiding and sometimes restraining hand of his senior partner was to be sorely missed.

CHAPTER VIII

It has already been suggested that D. M. Nesbit had an inventive turn of mind. This facet of his character is shown fully in an examination of his notebooks or of a catalogue of the various products or "specialties" manufactured by the works under his control. He was also a man with a strong tendency towards the expansion of his business without always taking sufficient account of the financial resources available – a failing to which many enthusiastic engineers are sometimes prone: but nevertheless he was able to convince his colleagues that expansion must go forward and many developments which he sponsored were brought to a successful conclusion.

The formation of British Steam Specialties Ltd., which was the name adopted for this new company, was no doubt D. M. Nesbit's idea. Its management was entrusted to H. W. Waudby who had previously been chief draughtsman at Leicester, and in 1900 an agreement was drawn up to put the relationship with the parent company on a proper basis. This document consisted of nine clauses and laid down that B.S.S. should buy all steam specialties which the Great Central Street works were able to manufacture; that Ashwell and Nesbit should not purchase direct from any other manufacturer who supplied B.S.S. with goods, and that they should be able to purchase supplies from B.S.S. at better discounts than any other client. The new company had been able to make purchase agreements with certain American manufacturers and the right to stock and make use of products from these sources was reserved to Ashwell & Nesbit. There were a number of patented articles which were supplied to B.S.S. Ltd., by the works and for which royalties were paid to D. M. Nesbit. Although this is hardly the place to describe these in any detail it might be worthwhile to mention a few, such as the 'Nudeemen' Grease and Water Separators, and Vacuum Pressure Steam Traps. There was also the oddly named 'Perk Pick' ventilation inlet for which D. M. Nesbit was paid 5/- for each one sold; and the 'Nestor' range of traps. These were Compound and Bucket type traps, large and rather cumbersome compared with the more modern thermostatic traps which have superseded them. Compound traps were recommended for draining the condensation from apparatus such as calorifiers, steam boiling pans and grease separators whilst the Bucket types were for more general use.

Another patent granted to D. M. Nesbit at about this time concerned an apparatus for heating water for process work and pre-heating boiler feed water which was known as the 'Nuconomiser' system.

It consisted of one or two mixing chambers through which steam and water passed into a hot water tank below. Either exhaust or live steam was introduced into these chambers through a perforated distribution pipe fixed in a vertical position; whilst the water, passing through slotted trays to break it into fine particles, met the steam at right angles and was quickly raised to the required temperature. This apparatus was particularly suitable for a plant using large volumes of hot water such as a dyeworks or brewery.

At the same time as their 'steam specialties' were being developed, Ashwell & Nesbit were active in bringing forward improved methods of central heating. In 1900 agreement was reached with an American firm known as 'The Atmospheric Steam Heating Company' to install their patented system in this country under licence. In addition Ashwell & Nesbit made an investment in the American company by taking up 2,000 shares. This system involved the circulation of steam at or below atmospheric pressure and its operation was based on the principle of the flow of the steam and condensation from a pressure slightly above into a pressure slightly below that of the atmosphere, or into a partial vacuum. The supply pipes, radiating surface and return pipes were exhausted of air in advance of turning on the steam, which then flowed rapidly into the lower pressure. After the apparatus had been filled steam was prevented from escaping into the lower pressure, which was mechanically maintained, by the thermostatic action of the special valves, which were so designed as to prevent the passage of steam. Many advantages were claimed for this system which were said not to be shared by any other steam heating system. It is of course true to say that in the past the heating of buildings had been largely accomplished by forcing steam through pipes by a high initial pressure with the condensate being returned to the boiler by gravity or allowed to run to waste. Such an apparatus was difficult to control and slow in circulation due to the time required to expel air from the pipes and radiators. The maintenance of a vacuum in the system enabled the temperature of the steam to be reduced to any level below 212°F and above the temperature of the room, without water-logging or hammering in the system; and the heat of the radiators could be regulated by an adjustment of the inlet valve. It was also claimed for this system that large economies in fuel were achieved by the fact that exhaust steam from engines and pumps could be introduced into the heating mains more easily, thus reducing the demand for live steam. During the next few years however, improvements were made to the method briefly described above, and in time the company adopted what was called the 'Nuvacuquette' system, of which more will be said later.

Early in 1900 the directors came to the conclusion that the works in Great Central Street should be sold. We have already referred to the inconvenience of many of the buildings but previous ideas of reconstruction had been dropped. In reaching this conclusion the directors had been influenced by the resignation of A. W. Farnsworth who had been appointed works superintendent only in the previous year; it appears that Mr. Farnsworth found the disadvantages of the existing works too much for him. A valuation of the property made by the architects, Messrs. Everard and Pick, at this time amounted to £12,500, and they were now called upon to advise on the acquisition of new premises and the disposal of the old. In fact it was to be two years before very much action was taken and the removal from Great Central Street had to wait until 1904.

Meanwhile in order to cope with an increasing volume of work in the north of England the managing director was authorised to open a branch office in Manchester. The tenancy was therefore taken up of a small suite of rooms in Mansfield Chambers, St. Anne's Square and an engineer by the name of H. Walton put in charge. He was installed on the 1st February 1901 and immediately turned his attention to the installation of the services in the new railway hotel then under construction. The apparatus at the Midland Hotel, Manchester was an extensive one and consisted of low pressure steam, a Plenum installation, and a "Nuconomiser" system. The steam raising plant was in the form of two Locomotive type boilers supplied by the railway company. The hotel was planned to be the most up-to-date and luxurious establishment of its kind outside London, and, in addition to its 300 bedrooms and the various marble halls which served as public rooms, it contained Turkish Baths and Hairdressing saloons, entailing a very considerable consumption of hot water. Another large contract in the north of the country which was also to be run from Manchester was the heating and ventilating of the Scalebor Park Asylum near Ilkley, another in the long list of such institutions to be served by Ashwell & Nesbit Ltd.

By the Autumn of 1900 the financial position of the company began to cause some concern. The indebtedness to the bank now exceeded the value of the first mortgage debenture which had been issued to secure the company's account and there was still a sum of £3,300 owing on the mortgage held by the Leicester Temperance Building Society. In September the company borrowed £1,500 from the Directors at 5% interest of which D. M. Nesbit put up £1,000. In spite of this situation the company paid out £1,950 in dividend for the year 1899/1900 although admittedly this was more than twice covered by the available profit.

CHAPTER IX

During the year 1901 plans for building a new works gradually took shape. In April the architects were formally instructed to prepare drawings after much discussion between the directors on all aspects of the matter, and by September Messrs. Everard and Pick were in a position to submit rough estimates to the board. At the meeting of directors held on the 8th October a resolution was passed authorising the chairman and D. M. Nesbit to purchase land at High Meres, Barkbythorpe Lane for a sum of £3,700 while long conferences continued on the question of finance in general. The building committee, consisting of Messrs. Nesbit, Atkinson and Pick, made various reports but no further decisions were made during the early months of 1902. Eventually Arthur Ashwell made an approach to the bank in May of that year and gave his co-directors an account of his negotiations at a meeting on the 27th. The board of Pares's Banking Company offered to open a new account with an overdraft facility of £15,000 in exchange for a debenture for that amount as security and this offer was duly accepted.

Meanwhile D. M. Nesbit suggested that he should pay a visit to America to gather some ideas for the new works and he was given leave to spend part of his summer holiday in the United States for this purpose at the company's expense. Unfortunately no written report of his experiences across the Atlantic has survived so that we do not know what he learnt there and in what way the designers of the new buildings may be benefited from his visit.

In March 1903 the architect produced his final report and estimates and after due consideration he was instructed to obtain the necessary tenders from contractors. Ten firms of builders eventually competed for the contract among them Messrs. Clark and Garrett and Henry Herbert and Sons, but when the tenders were opened in July William Moss and Sons Ltd., were found to have put in the lowest offer at £4,245. A. & J. Main & Co. submitted a price of £3,873 for the iron and steel work and in October these two tenders were accepted by the company.

Work began almost at once and some progress had been made by the middle of November. Although there were delays due to bad weather in late January 1904 operations went well and in June the directors made a visit to the site as a body. A month later the buildings were substantially completed and occupied; and the first casting, in the form of a commemorative plaque, was brought out of the foundry on the 22nd July. The new works was formally opened on the 8th August.

On that day the following paragraph appeared in the Leicester Daily

Post; "Observant travellers by the Midland line have probably taken passing glimpses at the erection of an unusually large building between the railway and Barkby Lane. This, we are informed, is a first instalment of a block of such buildings which was opened to-day, and, when completed, will consist of twelve bays, each 300 ft. long by 30 ft. wide, divided centrally by a light railway and road track, also 30 ft. wide and connected by a siding with the railway. The whole, including business premises and drawing office, lodge, stables, etc. are being built from the designs and under the superintendance of the architects, Messrs. Everard and Pick, to form the new works of Messrs. Ashwell & Nesbit Ltd., Warming and Ventilating Engineers, whose premises in Great Central Street, Leicester are no longer commodious enough for the remarkable growth of the firm's business, which has not only been developed at Leicester, but through the head house at 12 Great James Street, London, W.C., and also through their branch offices at Nottingham and Manchester".

The site of the works at High Meres lies alongside the main Midland line to Derby, which was an important consideration in selecting this piece of land for building. The area purchased by the company consisted of 15 acres of open fields just inside the Borough boundary of Leicester and, although a small parcel of land was subsequently sold to J. Bates and Son, the acreage proved to be generous for the company's purposes. In after years their successors were often to be grateful to the directors of 1903 for the foresight shown in choosing a site ample in size for the development which has taken place since. At the time some play was made of the fact that the works lay in open country giving 'conditions much more healthful than those which usually obtain in this particular industry.' In fact it was not until after the Second World War that the surrounding district became built over; until then our nearest industrial neighbours were the brickworks at the end of the lane.

The 'first instalment' of the new works consisted of two main bays – the Foundry on one side and the Machine Shop on the other – each 150 ft. long and divided by the central gangway. The whole building was about 170 ft. wide and, in addition to the two main sections, included a large casting and pattern store, a tool shop, blacksmith's shop and brass shop. A brass foundry and fettling shop were added in the following year. The boiler house was at the back of the machine shop bay and contained a Lancashire boiler 28 ft. long working to a steam pressure of 120 pounds per square inch; and there was space available for a second boiler when required. The cranes traversing each bay at a height of eighteen feet were made by Herbert Morris of Loughborough and the light railway, which made a circuit of the building and joined the siding off the main line, was built by W. G.

Bagnall Ltd., of Stafford. The cost of the building itself was about £11,000 which included the Lodge and Stables; but when completely equipped and after the further extensions mentioned above the property was valued at approximately £27,000.

When this project was first considered it had been expected that the company would sell the freehold of the Victoria Foundry, but up to the end of 1904 no purchaser had appeared who was prepared to offer the right price. For the time being British Steam Specialties remained in occupation at Great Central Street together with some offices of the parent company.

The first meeting of directors at the new works took place in the Lodge on opening day, the 8th August 1904. Over the past few years board meetings had normally been held at 12, Great James Street and when in Leicester, at the Bell Hotel. There had not been a full meeting at Great Central Street since November 1900. This meeting at the Barkby Lane premises, which were to be occupied by the company for the next sixty-four years, attended for the most part to routine business. A set of indentures were signed and sealed, monthly accounts were passed for payment, a report was received concerning the Nuconomiser department and various requests for advances of salary from members of the staff were dealt with. The seal of the company was applied to a contract for £11,676 for the work at the Royal College of Science in South Kensington, quite an important order, and thereafter the directors repaired to the works for the opening ceremony and a tour of inspection.

CHAPTER X

We must now go back in time and review some of the other events which occurred while the new works were being planned and built, and which had a bearing on the progress of the company. A matter which certainly kept D. M. Nesbit busy, and which was a subject of importance to the industry as a whole, was the demarcation dispute between plumbers and heating engineers which arose at this time. The argument concerned the installation of domestic hot water services in buildings and continued for many years. The reasons for the dispute and the attempts which were made to resolve it; the early formation of an association to protect the interest of heating and ventilating employers in which D. M. Nesbit was the protagonist and other related matters, are referred to in more detail in the Appendix. Meanwhile Ashwell & Nesbit Ltd., continued on its way in an atmosphere of comparative prosperity.

The trading year which ended on the 30th June 1901 was by far the most successful in the short history of the company up to that date. In fact the nett profit of £8,518 was not to be bettered for twenty-five years, by which time sales had reached a level nearly three times that of 1901. The board recognized this good result by recommending an increased ordinary dividend of 6% free of tax, and were duly congratulated by the shareholders on the success of the year's trading at the 4th Annual General Meeting held on the 25th September.

In the year 1901 it was decided to reorganize the capital structure of the company by cancelling the 2nd and 3rd mortgage debentures in favour of preference shares. The authorised capital was increased from £40,000 to £70,000 by the creation of 30,000 new shares of which 10,500 were to be First Preference, 4,500 Second Preference and the remainder Ordinary Shares. The agreement of Helen Ashwell was obtained to the cancellation of the 2nd debenture and she received all the First Preference Shares. Although the par value of the shares was £500 below that of the debenture, she was to be paid a fixed dividend of 6% in place of the debenture interest of 5% giving her an increase in income of £80 a year. Of the new ordinary shares only 4,000 were taken up, all by Stephen Robinson who was appointed a director in July 1902. In the following year a further 1800 First Preference Shares were issued in place of the debentures issued to three directors in September 1900; and at the same time the number of Second Preference Shares were reduced pro-rata.

This re-organisation required a resolution of the company to alter the Articles of Association and the opportunity was taken to add two important clauses to this document affecting dealings in shares. The first of these laid down that any member who wished to transfer

his shares must offer them in the first place to the directors in proportion to their existing holding. If any director declined to accept such an offer the board was given the power to dispose of the shares as they thought fit. On the other hand a second new article allowed a member to transfer freely to close relations which meant, for example, that a deceased member's shares did not necessarily have to be offered to the directors in the first instance.

In these early years of the century the staff of the company was augmented by many of those who were to play leading roles in the history of Ashwell & Nesbit from thenceforward, and by others who became well-known in the heating industry during the course of their careers. Of this latter group one should perhaps mention D. V. H. Smith, among others who became leading consulting engineers, who started as an apprentice at Great Central Street in November 1902. Also among those who joined the technical staff at this time was Edgar Young, who, with Fred Burn and F. H. Austen, also in the drawing office at Leicester, was instrumental in starting the firm of Young, Austen and Young in 1913. Before forming their own business Edgar Young and F. H. Austen spent a short time with William Freer Ltd., of Leicester after leaving Ashwell and Nesbit. Young, Austen and Young became a limited company in 1936 and is now one of the leading firms in the industry.

Six future directors joined the company at the beginning of the century, four of them in 1902. Of these the first was Frederick Pulsford, who started as chief cashier and was afterwards company secretary. He succeeded D. M. Nesbit as managing director when the latter relinquished that office in 1919. Frederick's young brother Harry joined the staff in 1907 as a draughtsman and remained in that capacity until his death after the Second World War.

July 1902 saw the arrival at Great Central Street of F. W. Jennings who came as a senior engineer at the age of thirty. Fred Jennings had been born in Stafford in 1872, the youngest of three sons. After being educated at Stafford Grammar School he entered the workshops of the North Staffordshire Railway at Stoke-on-Trent as an apprentice. Later he went to R. and W. Hawthorne Leslie and Co. at Newcastle-on-Tyne as a draughtsman and in 1900 joined the Sturtevant Engineering Co. before coming to Ashwell and Nesbit two years later. He was to play a major part in the company's affairs as manager of the London office, and a director.

In the same year the company entered into a Deed of Covenant with Mrs. Helen Ashwell "as to the instruction by the company of Mr. Austin Ashwell in the business of an engineer." Austin was nearly nineteen years of age at this time and since leaving his school at

Nottingham had been educated at Uppingham under the Head-mastership of Edward Selwyn. His housemaster was the Reverend Tancred Raven whose personality left an indelible impression on him which lasted all his life. At the start of his career with Ashwell and Nesbit, Austin joined the outside staff and was sent to Cardiff where extensive works were being carried out at the new Town Hall and Law Courts. He did not figure in the staff list until 1907 when he was paid a salary of £100 a year.

Two other future directors who arrived in 1902 were E. W. Woolgar and Walter Charles. Ted Woolgar began his long period of employment with Ashwell and Nesbit as a fitter whilst Walter Charles entered the drawing office as an apprentice. As his father refused to pay the usual premium for apprentices, he worked for a year without wages and at the end of that time received the princely sum of 6/- per week. James Playfair, for so many years the manager of our extensive and profitable business in Scotland, started at Leicester in 1905; like Fred Jennings he was already a trained engineer and was appointed a director in 1908.

Over the years these six men, with D. M. Nesbit, were to be largely responsible for running the business; a seventh, J. T. Swift, joined Ashwell and Nesbit in 1911 and was to be works manager for the next forty years. All of them were to spend the remainder of their working lives in the service of the company.

CHAPTER XI

There is little doubt that D. M. Nesbit was a man of strong views and dominating, sometimes domineering, manners. One hears conflicting opinions of his character from those who remember him. Ill-temper and rudeness seem to have alternated with a certain generosity and sentimentality. An adulatory description of him is contained in an article in the "Leicester Guardian" of the 18th June 1904, under the title of "Captains of Local Industry", which includes the following piece of Edwardian journalese:

"Personally Mr. Nesbit is a warm friend, and an equally warm enemy; genial, bluff, straight-speaking, and whole-hearted in everything. Family affection has always kept his heart tender and true; and it was to a sister he was indebted for a quotation that he is always remembering and desirous of applying, to the effect that we should do what good we can, as we pass by in life, for "we shall never come this way again." But woe to the man to whom the application of this inspiring motto does no good; who discloses meanness or deceit, instead of honour, loyalty, and faithful dealing. The wrath of his would-be friend, rumbling internally like a gathering storm, will explode only when the full force of a tornado had been generated, and is no longer safe to restrain. Then it bursts, and its expansive energy will be limited by no such confining trammels as those of the conventional vocabulary. But, nevertheless, the victim who discreetly bows his head to the storm, will soon discern clearer weather in the steel blue eyes, a sign of twinkling, that will rapidly brighten into sunniness, and as last a deep laugh from the chest will follow in most cases making the rafters ring, and chasing away the thunderous clouds below the horizon. He is a man that Rabelais would have delighted in . . . "!

Such at any rate was a contemporary view. That D. M. Nesbit was a good engineer cannot be disputed but his uncertain character and his lack of sound commercial sense was a continuing source of anxiety to his colleagues, particularly his co-directors.

The good result of 1901 was not repeated in the following year, when profits fell by more than half. During the next four years the value of Sales and Work done rose steadily to a figure of £86,000 in 1905/6, but in this year the company suffered a severe set-back in recording a nett loss of £1,246. Thus Ashwell and Nesbit Ltd., for the first time since incorporation, were unable to distribute an ordinary dividend; although a preference dividend was paid out of reserves.

This loss on trading naturally contributed to the financial straits in which the company now found itself. In January 1907 the chairman called for a full statement of affairs, which was prepared by the

secretary and Charles Ashwell; and as a result of which steps were taken to reduce overhead expenses wherever possible. Alterations and additions to the original specification had raised the total cost of the new works to a figure well above that of the loan granted by the bank in 1902; and the position was aggravated by the inability to sell the land and certain buildings at Great Central Street. Now the property would have to be offered at a much reduced figure. At this time a certificate for payment was presented by Messrs. A. & J. Main who had been responsible for the erection of the iron and steel work at Barkby Road. They had to be asked to accept a bill of exchange, post-dated three months.

It was estimated that extra capital amounting to at least £5,000 was required in order to reduce the bank overdraft and to pay Main's account. In February it was decided to ask the bank to advance this sum against a second debenture, provided the necessary consent of the preference shareholders could be obtained. In the event the bank asked for, and got, the personal guarantee of the directors in addition to the debenture and, by the beginning of June the crisis appeared to have passed. By agreement with the bank an overdraft limit was fixed at £15,000, and money was reported as "coming in well".

It soon became clear, however, that there was no real improvement in the position. During 1906 the volume of trading had been gradually reduced and in April 1907, although he was usually optimistic, the managing director reported a definite shortage of orders. In that year the value of work done had fallen to £57,000 and a further nett loss, this time of over £3,000, had been suffered. One of the largest contracts on the books, for work at the new Turnberry Hotel in Scotland, had turned out very badly for the company and, due to the failure of the main contractor, further losses were reported on a contract at Hull.

In the next two years the company's results were extremely poor. No dividends were distributed and it proved difficult even to find the interest payable on the debentures. Finally during 1909 another severe financial crisis made it questionable whether the company could survive.

In November 1908 Frank Robinson had resigned the position of secretary and at the same time Stephen Robinson, who was manager of the London office and who had been a director since 1902, had also announced his resignation. This was followed by his giving six months notice to the bank of his intention to withdraw his guarantees for sums of £3,000 and £5,000 given in 1906 and 1907. The bank immediately invited the directors to put forward their proposals for

alternative security and in February 1909 D. M. Nesbit reported to the board that he had called at the bank at the request of the manager, who had asked for more personal guarantees in the light of Stephen Robinson's withdrawal. A reduction in the overdraft by £3,000 by the end of March was also requested. Mr. Nesbit observed that it was impossible to do this at the present time. The first debentures had not been reduced as expected; both he and Mr. Atkinson had taken up debentures as soon as they had the money: the bank manager Mr. Newell, had not met Mr. Nesbit in the same manner as on former visits and had not been so conciliatory: no doubt he had received his instructions from the bank's directors. A few weeks later a meeting was held with T. G. Mellors, the company's auditor, and it was decided to ask the bank for a two year extension of time for the repayment of the £3,000 and a reduction in the first debenture. It was fully expected that the Great Central Street property would be sold in the near future for a figure in excess of £6,000 but this reserve price was not reached when the property went to auction on the 11th May. As a result the bank insisted on a further guarantee from the Ashwell brothers and D. M. Nesbit for £3,000 and an early reduction in the first debenture of £14,000. Here matters were allowed to rest for the time being and meanwhile a second loan was raised from the Leicester Temperance Building Society on the security of the old works.

In September Mr. Wilfred Ellis, acting on behalf of his sister Helen Ashwell, wrote to the company pointing out that the preference dividend was already a year in arrears. He was of the opinion that although the preference shareholders had agreed to an increase in the company's borrowings in 1908 they would be ill-advised to do so again until they were more confident that their interests were being safeguarded. The second debentures for £3,000 held by the bank were being paid off at the rate of £50 a month and interest charges on the first debenture had to be found; otherwise the whole of the company's financial resources were being used to find sufficient working capital to continue trading. There was nothing to spare for the distribution of even a preference dividend, so that as this was the bulk of Helen Ashwell's income her brother was naturally concerned. Under the circumstances, however, it was essential for the directors to retain the support of the preference shareholders so that Mr. Ellis was invited to be a party to the negotiations with the bank together with his brother-in-law John Hodding.

Gradually the company's position began to improve although meetings between those involved continued. In addition to Mr. Ellis and his brother-in-law, representing the majority holder of preference shares, these included British Steam Specialties Ltd. who had been asked to consider the purchase of the Great Central

Street property. However it soon became clear that they were unwilling to do this. They explained that they required all available capital to develop their business which had increased by at least a quarter during the last full year. They were quite agreeable to renting the property and suggested a repairing lease with an option to purchase after a period, provided the railway company did not wish to acquire the premises, which had been for some time a possibility. They indicated that Ashwell and Nesbit would have to spend some money on the property before it was adequate for their purposes. Eventually the owners agreed to a seven or fourteen year lease at £400 per annum. They gave B.S.S. the option to purchase at a figure of £6,500 but retained the right to find an alternative buyer if a likely prospect appeared. They also agreed to an expenditure of £1,000 on repairs and alterations.

On the 14th November 1910 the secretary of the company wrote to the manager of Parr's Bank setting out the position as he saw it, "in the event of a crisis happening to the company". The first debentures amounted to £25,000 of which £14,000 were held by the bank and the remainder by others including the directors. To meet this F. C. Pulsford stated that the balance sheet value of the land and buildings at Barkby Road was £26,500 and at Great Central Street £8,800. Other fixed assets were valued at £19,000, stock and work-in-progress at £28,000 and debtors at £11,000. Creditors amounted to £7,500 so that on the face of it the nett value of the company was about £85,000.

This letter seems to have had the desired effect, as at a meeting on the 28th November the bank accepted the following proposals:- 1. That they would take up a new second debenture of £6,000, of which £5,000 was to be in the form of capital for running the business and the remainder for repairs and alterations to the old works. This was to be paid off at the rate of £1,200 per annum. 2. That the bank would retain £4,000 of the first debenture, which meant that the company would have to arrange for the taking up of £10,000 debenture stock. In fact it took more than five years for this to be done.

Following the meeting at the bank the directors had a consultation with Wilfred Ellis. He approved of the arrangements made but requested on behalf of his sister that the company should pay her £200 a year in consideration of the accrued dividend. The directors formally authorised this arrangement in February 1911.

There things remained for the present, although the company was deeply in debt. In 1914 Austin Ashwell wrote one sentence on the back of the file referring to the financial crisis of 1910: "These papers are of no value except as a warning to future directors and managing directors".