

No. 9 of 1973

## AN ORDINANCE

### Relating to Companies.

I, THE GOVERNOR-GENERAL in and over the Commonwealth of Australia, acting with the advice of the Federal Executive Council, hereby make the following Ordinance under the *Seat of Government (Administration) Act 1910-1972*.

Dated this fifteenth day of March, 1973.

PAUL HASLUCK  
Governor-General.

By His Excellency's Command,

LIONEL MURPHY  
Attorney-General, acting for and on behalf of  
the Minister of State for the Capital Territory.

### COMPANIES ORDINANCE 1973

1.—(1.) This Ordinance may be cited as the *Companies Ordinance 1973*.<sup>\*</sup> Short title and citation.

(2.) The *Companies Ordinance 1962-1972*<sup>†</sup> is in this Ordinance referred to as the Principal Ordinance.

(3.) The Principal Ordinance, as amended by this Ordinance, may be cited as the *Companies Ordinance 1962-1973*.

2.—(1.) Subject to the next succeeding sub-section, this Ordinance shall come into operation on such date as is fixed by the Minister of State for the Capital Territory by notice published in the *Gazette*. Commencement.

(2.) Sections 1, 2 and 82 of, and the Fourth Schedule to, this Ordinance shall come into operation on the date on which this Ordinance is notified in the *Gazette*.

(3.) At any time after the date of commencement of this section and before the date fixed under sub-section (1.) of this section, regulations may be made under the Principal Ordinance as amended by this Ordinance as if the provisions of this Ordinance had come into operation on the date on which this Ordinance is notified in the *Gazette* but regulations so made do not come into operation until the date fixed under sub-section (1.) of this section.

<sup>\*</sup> Notified in the *Commonwealth Gazette* on 16 March 1973.

<sup>†</sup> Ordinance No. 7, 1962; as amended by No. 11, 1962; No. 19, 1963; Nos. 11 and 13, 1966; No. 31, 1968; Nos. 4, 10 and 28, 1969; No. 5, 1971 and Nos. 16 and 19, 1972.

Parts.

## 3. Section 3 of the Principal Ordinance is amended—

(a) by omitting the words—

“ Part VI.—Accounts and Audit.

Division 1.—Accounts (Sections 161-164).

Division 2.—Audit (Sections 165-167A).

Division 3.—Inspection (Sections 168-171).

Division 4.—Special Investigations (Sections 172-180).

Part VIA.—Take-overs (Sections 180A-180Y).”

and inserting in their stead the words—

“ Part VI.—Accounts and Audit.

Division 1.—Preliminary (Section 161).

Division 2.—Accounts (Sections 161A-164).

Division 3.—Audit (Sections 165-167B).

Division 4.—Special Provisions Relating to Banking and Life Insurance Corporations (Section 167C).

Part VIA.—Special Investigations.

Division 1.—Inspection (Sections 168-171).

Division 2.—Special Investigations (Sections 172-180).

Part VIB.—Take-overs (Sections 180A-180Y).”; and

(b) by omitting the words—

“ Division 1.—Enforcement of Ordinance (Sections 362-373).”

and inserting in their stead the words—

“ Division 1.—Proceedings (Sections 362-373).”.

## 4. Section 4 of the Principal Ordinance is amended by omitting sub-sections (14.) and (15.).

## 5. Section 5 of the Principal Ordinance is amended—

(a) by omitting from sub-section (1.) the definition of “ books ” and inserting in its stead the following definition:—

“ ‘ books ’ includes any account, deed, writing or document and any other record of information however compiled, recorded or stored, whether in written or printed form, on microfilm, by electronic process or otherwise;”;

(b) by inserting in that sub-section, after the definition of “ company having a share capital”, the following definition:—

“ ‘ company limited both by shares and guarantee’ means a company formed on the principle of having the liability of its members limited by the memorandum of the company—

(a) in the case of members who hold shares in the company—to the amount (if any) unpaid on the shares held by them; and

Repeal and amendment of Ordinances; transitional provisions.

Interpretation.

- (b) in the case of members who have undertaken to contribute to the assets of the company in the event of its being wound up—to such amount as the members may respectively so undertake to contribute;”;
- (c) by omitting from that sub-section the definition of “*emoluments*” and inserting in its stead the following definition:—
- “‘*emoluments*’ includes fees, percentages and other payments made, and the money value of any consideration, allowances and perquisites given, directly or indirectly, to a director of a company, in connexion with the management of the affairs of the company or of any holding company or subsidiary of that company, whether as a director or otherwise, but does not include amounts in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the company.”;
- (d) by omitting from that sub-section paragraph (a) of the definition of “*foreign company*” and inserting in its stead the following paragraph:—
- “ (a) a company, corporation, society, association or other body incorporated outside the Territory, not being a corporation sole or a body corporate that is incorporated within the Commonwealth and is a public authority or an instrumentality or agency of the Crown, whether in right of the Commonwealth or of a State of the Commonwealth; or ”;
- (e) by adding at the end of the definition of “*profit and loss account*” in that sub-section the words “and, if the corporation concerned is engaged in the development or exploration of natural resources, also includes an operations account or any like account and a development account or any like account”;
- (f) by inserting in that sub-section, after the definition of “*registered liquidator*”, the following definition:—
- “‘*related corporation*’, in relation to a corporation, means a corporation that is deemed to be related to the first-mentioned corporation by virtue of sub-section (5.) of the next succeeding section;”;
- (g) by inserting in that sub-section, after the definition of “*this Ordinance*”, the following definition:—
- “‘*undischarged bankrupt*’ means a person who, under a law in force in the Commonwealth or in a Territory of the Commonwealth relating to bankruptcy or insolvency, is a bankrupt in respect of a bankruptcy from which he has not been discharged;” and

(h) by inserting after sub-section (1.) the following sub-section:—

“(1A.) Where, under a law of a State, the functions conferred by this Ordinance on the Registrar of Companies are conferred on an officer or authority named other than the Registrar, a reference in this Ordinance to the Registrar shall be read as a reference to that officer or authority.”.

Interests in shares.

6. Section 6A of the Principal Ordinance is amended by omitting from sub-section (1.) the words “ and for the purposes of Part VIA.” and inserting in their stead the words “ , sections one hundred and twenty-six and one hundred and twenty-seven of this Ordinance and for the purposes of Part VI B.”.

Registrar of Companies, &c.

7. Section 7 of the Principal Ordinance is amended by omitting sub-section (9.) and inserting in its stead the following sub-section:—

“(9.) A person who—

- (a) makes an inspection in pursuance of sub-section (7.) of this section before he has made a declaration referred to in the last preceding sub-section; or
- (b) after making such a declaration, makes a record of, or divulges or communicates to any other person, other than—
  - (i) for the purposes of this Ordinance;
  - (ii) in the course of criminal proceedings; or
  - (iii) to the holder of a prescribed office,
 any information that he has acquired by reason of such an inspection,

is guilty of an offence against this Ordinance.

Penalty: Two hundred dollars.”.

Companies Auditors Board.

8. Section 8 of the Principal Ordinance is amended—

- (a) by omitting from paragraph (a) of sub-section (1.) the word “ and ”; and
- (b) by adding at the end thereof the following word and paragraph:—
  - “ ; and (c) to do all such other things as it is required or permitted to do by this Ordinance.”.

Company auditors and liquidators.

9. Section 9 of the Principal Ordinance is amended—

- (a) by omitting sub-sections (1.) to (6.) (inclusive);
- (b) by omitting from sub-section (7.) the words “ A person ” and inserting in their stead the words “ Subject to the next succeeding sub-section, a person ”;
- (c) by omitting from that sub-section the words from and including the words “ entitled on payment ” to the end of that sub-section and inserting in their stead the words “ and is satisfied that he has sufficient practical experience in accountancy and has the capacity to act as a company auditor, entitled, on payment of the prescribed fee, to be registered as a company auditor.”;

- (d) by inserting after sub-section (7.) the following sub-sections:—

“(7A.) The Board may refuse to register as a company auditor a person who is not resident in a State or Territory of the Commonwealth.

“(7B.) A person who is a registered company auditor shall, on payment of the prescribed fee and subject to sub-section (9A.) of this section, be entitled to renewal of his registration.”;

- (e) by omitting from sub-section (8.) the words “A registered company auditor” and inserting in their stead the words “Subject to the next succeeding sub-section, a registered company auditor”;

- (f) by inserting after sub-section (8.) the following sub-sections:—

“(8A.) The Board may refuse to register a registered company auditor as a liquidator if the registered company auditor is not resident in a State or Territory of the Commonwealth.

“(8B.) A person who is a registered liquidator shall, on payment of the prescribed fee and subject to sub-section (9A.) of this section, be entitled to renewal of his registration.”;

- (g) by omitting from sub-section (9.) the words “or deemed to have been effected”;

- (h) by inserting after sub-section (9.) the following sub-section:—

“(9A.) The Board—

(a) may refuse to renew the registration of a registered company auditor or registered liquidator who does not, at least three months before his registration ceases to be in force, apply to the Board for renewal of his registration and pay to the Board the prescribed fee; and

(b) may refuse to renew the registration of a registered company auditor or registered liquidator who is not resident in a State or Territory of the Commonwealth.”;

- (i) by omitting from sub-section (14.) the words “three months” and inserting in their stead the words “one month”; and

- (j) by adding at the end thereof the following sub-section:—

“(16.) A person who is, or is for the time being exercising the powers and performing the duties of, the Auditor-General for the Commonwealth or for a State or Territory of the Commonwealth shall be deemed to be a registered company auditor for the purposes of this Ordinance.”.

Liquidators.

10. Sections 10 and 11 of the Principal Ordinance are repealed.

Registers.

11. Section 12 of the Principal Ordinance is amended—

(a) by omitting sub-section (5.) and inserting in its stead the following sub-section:—

“ (5.) If the Registrar is of the opinion that a document submitted to him—

(a) contains matter contrary to law;

(b) by reason of an omission or misdescription has not been duly completed;

(c) does not comply with the requirements of this Ordinance; or

(d) contains an error, alteration or erasure,

the Registrar may—

(e) refuse to register or receive the document, and request—

(i) that the document be appropriately amended or completed and re-submitted;

(ii) that a fresh document be submitted in its place; or

(iii) where the document has not been duly completed, that a supplementary document in the prescribed form be lodged; or

(f) require the person submitting the document—

(i) to produce to him such other document; or

(ii) to furnish such information,

as the Registrar thinks necessary in order to form an opinion whether he may refuse to receive or register the document.”; and

(b) by omitting from sub-section (7.) the words “ the National Library of Australia ” and inserting in their stead the words “ the Chief Archivist, Commonwealth Archives Office ”.

Names of companies.

12. Section 22 of the Principal Ordinance is amended—

(a) by omitting paragraphs (b) and (c) of sub-section (7.) and inserting in their stead the following paragraphs:—

“ (b) the name to which a company proposes to change its name;

(c) the name of an intended foreign company which is proposed to be registered; or

(d) the name under which a foreign company proposes to be registered, either originally or on change of name.”; and

(b) by inserting in sub-sections (8.), (10.) and (11.), before the words “ or foreign company ” (wherever occurring), the words “ , intended foreign company ”.

**13. Section 24 of the Principal Ordinance is amended—**

(a) by inserting in paragraph (a) of sub-section (1.), after the word “charity,”, the word “patriotism.”;

(b) by omitting sub-section (4.) and inserting in its stead the following sub-sections:—

Omission of  
“ Limited ”; in  
name of  
charitable  
and certain  
other  
companies.

“ (4.) A company in respect of which a licence under this section or under a corresponding previous law of the Territory is in force is exempt from complying with the provisions of this Ordinance relating to the use of the word ‘ Limited ’ as part of its name.

“ (4A.) The Attorney-General may, in a licence under this section, exempt a company from complying with the provisions of this Ordinance, or such of them as are specified in the licence, relating to the lodging of annual returns and of returns of particulars of directors, managers and secretaries.

“ (4B.) Where, immediately before the commencement of this sub-section, a company in respect of which a licence under this section or a corresponding previous law of the Territory was in force was exempt from the provisions of this Ordinance relating to the lodging of annual returns and of returns of particulars of directors, managers and secretaries, the company shall, subject to the next succeeding sub-section, continue to be exempt from those provisions.

“ (4c.) The Attorney-General may, by notice in writing served on the company, revoke an exemption held by a company or a company included in a class of companies from the provisions of this Ordinance relating to the lodging of annual returns and of returns of particulars of directors, managers and secretaries.”; and

(c) by adding at the end thereof the following sub-section:—

“ (6.) Where a licence issued under this section or under a corresponding previous law of the Territory is revoked, a provision of the memorandum of the company that was inserted in compliance with a condition upon which the licence was issued may be altered in the same manner as an alteration of the provisions of that memorandum with respect to the objects of the company may be made, and section twenty-eight of this Ordinance applies to a proposal for such an alteration accordingly.”.

**14. Section 25 of the Principal Ordinance is repealed and the following section inserted in its stead:—**

“ 25.—(1.) Subject to this section—

(a) an unlimited company may convert to a limited company if it was not previously a limited company that became an unlimited company in pursuance of paragraph (d) of this sub-section;

(b) a no-liability company all the issued shares in which are fully paid-up may convert to a company limited by shares;

Registration  
of unlimited  
company as  
limited, &c.

- (c) a company limited by guarantee may convert to a company limited by both shares and guarantee; and
- (d) a limited company may convert to an unlimited company if it was not previously an unlimited company that became a limited company in pursuance of this section or any corresponding previous law of the Territory.

“(2.) A company may apply to the Registrar for a change of status as provided by the last preceding sub-section.

“(3.) An application under the last preceding sub-section shall be in writing and, subject to the next succeeding sub-section, shall be accompanied by the certificate of incorporation of the company and the prescribed documents.

“(4.) Where the certificate of incorporation of the company has been lost, the application shall be accompanied by a statutory declaration to that effect by an officer of the company.

“(5.) Upon the registration of the prescribed documents, the Registrar shall cancel the existing certificate of incorporation and issue to the company a certificate of incorporation—

- (a) appropriate to the change of status applied for; and
- (b) specifying, in addition to the particulars prescribed in respect of a certificate of incorporation of a company of that status, that the certificate is issued in pursuance of this section,

and, upon the issue of the certificate, the company shall be a company having the status specified in the certificate.

“(6.) Where the status of a company is changed in pursuance of this section, notice of the change of status shall be published in such manner (if any) as the Registrar directs.

“(7.) In sub-section (3.) of this section, ‘prescribed documents’, in relation to an application referred to in that sub-section, means—

- (a) a printed copy of the special resolution of the company—
  - (i) resolving to change the status of the company as provided by sub-section (1.) of this section and specifying the status sought;
  - (ii) making such alterations of the memorandum of the company as are necessary to bring the memorandum into conformity with the requirements of this Ordinance relating to the memorandum of a company of the status sought;
  - (iii) where the company has registered articles, making such alterations and additions to the articles (if any) as are necessary to bring the articles into conformity with the requirements of this Ordinance relating to the articles of a company of the status sought;
  - (iv) where the company has no registered articles, adopting such articles (if any) as are required by this Ordinance to be registered in respect of a company of the status sought or are proposed by the



- company as the registered articles of the company upon the change in its status; and
- (v) changing the name of the company to a name by which it could be registered if it were a company of the status sought;
- (b) where, by a special resolution referred to in the last preceding paragraph, the memorandum of the company is altered or the articles of the company are altered or added to, or articles are adopted by the company, a printed copy of the memorandum as altered, the articles as altered or added to, or the articles adopted, as the case may be; and
- (c) in the case of an application by a limited company to convert to an unlimited company—
- (i) the prescribed form of consent to the application subscribed by or on behalf of all the members of the company; and
  - (ii) a statutory declaration by a director or secretary of the company verifying that the persons by whom or on whose behalf the form of consent is subscribed constitute the whole membership of the company and, if a member has not subscribed the form himself, that the director or secretary making the declaration has taken all reasonable steps to satisfy himself that each person who subscribed the form was lawfully empowered so to do.

“(8.) The provisions of sub-sections (2.) to (6.) (inclusive) of section twenty-one of this Ordinance do not apply to or in relation to an application under this section or to any prescribed documents in relation to the application.

“(9.) With such modifications as are necessary, section twenty-eight of this Ordinance (except sub-section (1.)) applies to and in respect of the proposal, passing and lodging, and the cancellation or confirmation by the Court, of a special resolution relating to a change of status as if it were a special resolution under that section.

“(10.) A change in the status of a company in pursuance of this section does not operate—

- (a) to create a new body corporate;
- (b) to affect the identity of the company or the continuity of the company as a body corporate;
- (c) to affect the property, or the rights or obligations, of the company; or
- (d) to render defective any legal proceedings by or against the company,

and any legal proceedings that could have been continued or commenced by or against the company before the change in its status may, notwithstanding that change, be continued or commenced by or against the company after that change.”.

Return as to  
allotments.

**15. Section 54 of the Principal Ordinance is amended—**

- (a) by omitting sub-section (5.) and inserting in its stead the following sub-section:—

“ (5.) Where shares are allotted, or are deemed to have been allotted, as fully or partly paid up otherwise than in cash and the allotment is made—

- (a) in pursuance of a contract not reduced to writing;
- (b) in pursuance of a provision in the memorandum or articles;
- (c) in satisfaction of dividends declared in favour of, but not payable in cash to, shareholders; or
- (d) in pursuance of the application of moneys held by the company in an account or reserve in paying up or partly paying up unissued shares to which the shareholders have become entitled,

the company shall lodge with the return a statement in the prescribed form.”; and

- (b) by omitting from sub-section (6.) the words “ issued without formal allotment to subscribers to the memorandum ” and inserting in their stead the words “ that the subscribers to the memorandum have agreed in the memorandum to take ”.

Power of  
company to  
alter its  
share capital.

**16. Section 62 of the Principal Ordinance is amended by omitting paragraph (c) of sub-section (1.) and inserting in its stead the following paragraph:—**

- “ (c) convert or make provision for the conversion of all or any of its paid up shares into stock and re-convert or make provision for the reconversion of that stock into paid up shares of any denomination;”.

Obligations of  
borrowing  
corporations.

**17. Section 74F of the Principal Ordinance is amended by omitting from sub-section (9.) the words “ sub-sections (4.) to (13.), inclusive, of section one hundred and sixty-two, and of sub-sections (1.), (2.) and (4.) of section one hundred and sixty-seven, of this Ordinance ” and inserting in their stead the words “ section one hundred and sixty-two (other than sub-sections (5.) and (6.)), sub-sections (1.), (2.) and (3.) of section one hundred and sixty-two A, section one hundred and sixty-two C, the provisions of section one hundred and sixty-seven other than sub-section (7.), and section one hundred and sixty-seven C, of this Ordinance, other than a provision that requires the laying of accounts or group accounts within the meaning of those sections before an annual general meeting.”.**

Interpretation.

**18. Section 76 of the Principal Ordinance is amended by omitting from sub-section (1.) the definition of “ proclaimed State ”.**

**19.** Section 84 of the Principal Ordinance is amended—

(a) by omitting sub-section (2.) and inserting in its stead the following sub-sections:—

“ (1A.) A management company incorporated in a State or the Northern Territory of Australia that—

(a) keeps a register of holders of interests, in accordance with the law of that State or Territory, being a law that corresponds with the last preceding sub-section; and

(b) keeps within the Territory a register containing, with respect to the holders of interests who are resident within the Territory, the information prescribed by the last preceding sub-section,

is not required to comply with that sub-section.

“ (1B.) A management company that is not required by the last preceding sub-section to comply with sub-section (1.) of this section shall, within fourteen days after receiving a written request from a holder of an interest resident in the Territory, make available for inspection by him a copy of the register of holders of interests kept under the law under which the company is incorporated.

Penalty: Two hundred dollars. Default penalty.

“ (2.) The provisions of Division 4 of Part V. (except section one hundred and fifty-seven of this Ordinance) shall, with such adaptations and modifications as are necessary, apply to and in relation to the registers kept under sub-section (1.), and under paragraph (b) of sub-section (1A.), of this section.”; and

(b) by inserting in paragraph (a) of sub-section (3.), after the words “holders of interests”, the words “in pursuance of sub-section (1.), or of paragraph (b) of sub-section (1A.), of this section”; and

**20.** Section 85 of the Principal Ordinance is amended—

(a) by inserting in sub-section (1.), after the words “applicable to the deed”, the words “a return in the prescribed form containing”; and

(b) by omitting from paragraph (a) of that sub-section the words “a return in the prescribed form containing”.

**21.** Section 95 of the Principal Ordinance is repealed and the following section inserted in its stead:—

“ 95.—(1.) Notwithstanding anything in its articles or in a deed relating to debentures or interests, a company shall not register a transfer of shares, debentures or interests unless a proper instrument of transfer has been delivered to the company, but this sub-section shall not prejudice the power of a company to register as a shareholder, debenture holder or interest holder a person to whom the right to shares in, debentures of, or interests made available by, the company has been transmitted by operation of law.

Register of interest holders.

Returns, information, &c., relating to interests.

Instrument of transfer.

“(2.) A transfer of a share in the capital of, or a debenture of, a company shall not be registered under this section unless the instrument of transfer—

- (a) bears statements in respect of the sale and purchase to which the transfer relates, as provided by the *Australian Capital Territory Taxation (Administration) Act 1969*, or by a law of a State or another Territory of the Commonwealth relating to stamp duty, to the effect that stamp duty, if payable, has been or will be paid;
- (b) has been duly stamped within the meaning of that Act or law; or
- (c) bears a stamp made in pursuance of that Act or law to the effect that no tax or stamp duty is payable.

“(3.) A company shall retain in the Territory an instrument of transfer of a share in the capital of, or a debenture of, the company that has been registered under this section for a period of not less than three years after the date on which it is registered.

“(4.) The right or title of a transferee or subsequent holder of a share in the capital of, or a debenture of, a company is not invalidated by reason only that the transfer of the share or debenture was registered by the company in contravention of a provision of this section.

“(5.) A transfer of shares, debentures or interests of a deceased holder made by his personal representative shall, although the personal representative is not himself registered as the holder of those shares, debentures or interests, be as valid as if he had been so registered at the time of the execution of the instrument of transfer.

“(6.) Where the personal representative of a deceased holder duly constituted as such under the law of a State or of another Territory of the Commonwealth—

- (a) executes an instrument of transfer of a share, debenture or interest of the deceased holder to himself or to another person; and
- (b) delivers the instrument to the company, together with a statutory declaration made by him to the effect that, to the best of his knowledge, information and belief, no grant of representation of the estate of the deceased holder has been applied for or made in the Territory and no application for such a grant will be made, being a statutory declaration made within the period of one month immediately preceding the date of delivery of the statutory declaration to the company,

the company shall register the transfer and pay to the personal representative any dividends or other moneys accrued in respect of the share, debenture or interest up to the time of the execution of the instrument, but this sub-section does not operate so as to require the company to do an act or thing which it would not have been required to do if the personal representative were the personal representative of the deceased holder duly constituted under the law of the Territory.

“(7.) A transfer or payment made in pursuance of the last preceding sub-section and a receipt or acknowledgment of such a payment

shall, for all purposes, be as valid and effective as if the personal representative were the personal representative of the deceased holder duly constituted under the law of the Territory.

“(8.) For the purposes of this section, an application by a personal representative of a deceased person for registration as the holder of a share, debenture or interest in place of the deceased person shall be deemed to be an instrument of transfer effecting a transfer of the share, debenture or interest to the personal representative.

“(9.) The production to a company of a document that is, under the law of the Territory or under the law of a State or of another Territory of the Commonwealth, sufficient evidence of probate of the will, or letters of administration of the estate, of a deceased person having been granted to a person shall be accepted by the company, notwithstanding anything in its articles or in a deed relating to debentures or interests, as sufficient evidence of the grant.

“(10.) In this section, ‘interest’ includes an interest within the meaning of Division 5 of this Part.”.

**22. Section 96 of the Principal Ordinance is amended—**

- (a) by omitting from sub-section (1.) the words “share, debenture or other interest in a company” and inserting in their stead the words “share in, debenture of, or interest made available by, a company”;
- (b) by omitting from sub-section (2.) the words “share or debenture” and inserting in their stead the words “share in, debenture of, or interest made available by, the company”;
- (c) by inserting in that sub-section, after the words “share certificate or debenture” (first occurring), the words “or any document evidencing title to the interest (as the case requires)”;
- (d) by omitting from that sub-section the words “share certificate or debenture” (second occurring) and inserting in their stead the words “share certificate, debenture or document”;
- (e) by omitting from sub-section (5.) the words “share certificates or debentures” and inserting in their stead the words “share certificates, debentures and other documents”; and
- (f) by adding at the end thereof the following sub-section:—
 

“(6.) In this section, ‘interest’ includes an interest within the meaning of Division 5 of this Part.”.

Registrations  
of transfer at  
request of  
transferor.

**23. Section 97 of the Principal Ordinance is amended—**

- (a) by omitting from sub-section (1.) the words “share, debenture or other interest in” and inserting in their stead the words “shares in, debentures of, or interests made available by,”; and
- (b) by inserting after sub-section (1.) the following sub-section:—
 

“(1A.) In the last preceding sub-section, ‘interest’ includes an interest within the meaning of Division 5 of this Part.”.

Notice of  
refusal to  
register a  
transfer.

Certification  
of transfers.

**24.** Section 98 of the Principal Act is amended—

- (a) by omitting from sub-section (1.) the words “shares, debentures or other interests in the company” and inserting in their stead the words “shares in, debentures of, or interests made available by, the company”;
- (b) by omitting from that sub-section the words “or other interests” (wherever occurring) and inserting in their stead the words “or interests”;
- (c) by omitting from sub-section (3.) the words “or other interests” and inserting in their stead the words “or interests”; and
- (d) by adding at the end thereof the following sub-section:—  
 “(5.) In this section, ‘interest’ includes an interest within the meaning of Division 5 of this Part.”.

Duties of  
company with  
respect to issue  
of certificates.

**25.** Section 99 of the Principal Ordinance is amended—

- (a) by omitting sub-sections (1.) and (2.) and inserting in their stead the following sub-sections:—  
 “(1.) Every company shall, within two months after the allotment of any shares in, the issue of debentures of, or the making available of interests by, the company and within one month after the date on which a transfer, other than such a transfer as the company is for any reason entitled to refuse to register and does not register, of any shares, debentures, or interests is lodged with the company, complete and have ready for delivery all the appropriate certificates, debentures or other documents in connexion with the allotment, issue, making available or transfer unless, in the case of shares, the conditions of the issue otherwise provide and shall, unless otherwise instructed by the transferee, send or deliver the completed certificates, debentures or other documents to the transferee or, where the transferee has instructed the company in writing to send them to a nominated person, to that person.  
 “(2.) If default is made in complying with this section the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance and liable, for each day during which the offence continues, to a penalty not exceeding One hundred dollars.”;
- (b) by omitting from sub-section (3.) the words “certificates or the debentures” and inserting in their stead the words “certificates, debentures or other documents”; and
- (c) by adding at the end thereof the following sub-section:—  
 “(4.) In this section, ‘interest’ includes an interest within the meaning of Division 5 of this Part.”.

**26.** Section 111 of the Principal Ordinance is amended by omitting from sub-section (1.) the words “on which it begins to carry on business or as from the fourteenth day after the date of its incorporation, whichever is the earlier” and inserting in their stead the words “of its incorporation”. Registered office of company.

**27.** Section 112 of the Principal Ordinance is amended by omitting sub-section (1.) and inserting in its stead the following sub-sections:— Office hours.

“ (1.) On the lodging of the memorandum of a proposed company for registration, notice in the prescribed form of the address of the proposed registered office of the company, and of the days and hours during which it is to be open and accessible to the public, shall also be lodged with the Registrar but no notice of the days and hours during which the office is to be open and accessible to the public shall be required if the office is to be open for at least five hours between ten o'clock in the morning and four o'clock in the afternoon of each day, Saturdays, Sundays and holidays excepted.

“ (1A.) Notice in the prescribed form of any proposed change of address of the registered office of the company or of the days and hours during which it is open and accessible to the public, other than the days and hours in respect of which no notice under the last preceding sub-section is required, shall be lodged with the Registrar on or before the date of the change.”.

**28.** Section 114 of the Principal Ordinance is amended— Directors.

(a) by omitting from sub-section (1.) the words “one director” and inserting in their stead the words “two directors”; and

(b) by omitting sub-section (3.) and inserting in its stead the following sub-sections:—

“ (3.) Where the articles of a company incorporated before the date of commencement of this sub-section provide for the appointment of one director only, the articles shall after that date be deemed to provide for the appointment of two directors.

“ (4.) If default is made in complying with this section, the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance.

Penalty: Two hundred dollars. Default penalty.”.

**29.** Section 121 of the Principal Ordinance is amended— Age limit for directors.

(a) by inserting in sub-section (1.), after the word “appointed”, the words “or act as”;

(b) by inserting in sub-section (3.), after the word “discovered”, the words “that he was of or over the age of seventy-two years at the time of his appointment or”; and

(c) by omitting sub-section (6.) and inserting in its stead the following sub-sections:—

“ (6.) Subject to the next succeeding sub-section, a person of or over the age of seventy-two years may, by a

resolution reciting the age of that person, being a resolution—

- (a) of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given; and
- (b) that is passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company,

be appointed or re-appointed as a director of that company to hold office until the conclusion of the next annual general meeting of the company or be authorized to continue in office as a director until the conclusion of the next annual general meeting of the company.

“ (6A.) Where the company is a subsidiary of a public company, the appointment or re-appointment referred to in the last preceding sub-section shall not have effect unless either the person appointed or re-appointed is a director of the holding company or the appointment or re-appointment of the person as a director of the company has been approved by a similar resolution of the holding company.

“ (6B.) Where the articles of a company limited by guarantee provide for the holding of postal ballots for the election of directors and a postal ballot for the election of a director or directors is held in which—

- (a) the members entitled to vote have been given notice in writing by the company stating that a candidate is of or over the age of seventy-two years and reciting the age of the candidate; and
- (b) that candidate is elected by a majority of not less than three-fourths of the members who, being entitled to vote, vote in the ballot,

that candidate may be appointed or re-appointed as a director to hold office until the conclusion of the next annual general meeting of the company.

“ (6C.) A vacancy in the office of a director occurring by virtue of sub-section (2.) of this section shall not be taken into account in determining when other directors are to retire.”

Power to  
restrain certain  
persons from  
managing  
companies.

**30.** Section 122 of the Principal Ordinance is amended by omitting from paragraph (b) of sub-section (1.) the words “punishment on conviction with” and inserting in their stead the words “punishable on conviction by”.



**31.** Section 123 of the Principal Ordinance is amended by omitting sub-section (4.) and inserting in its stead the following sub-section:—

“(4.) For the purposes of sub-section (1.) of this section, a general notice given to the directors of a company by a director to the effect that he is an officer or member of a specified corporation or a member of a specified firm and is to be regarded as interested in any contract that may, after the date of the notice, be made with that corporation or firm shall be deemed to be a sufficient declaration of interest in relation to any contract so made or proposed to be made if—

- (a) the notice states the nature and extent of the interest of the director in the corporation or firm;
- (b) when the question of confirming or entering into the contract is first taken into consideration, the extent of his interest in the corporation or firm is not greater than is stated in the notice; and
- (c) the notice is given at a meeting of the directors or the director takes reasonable steps to ensure that it is brought up and read at the next meeting of the directors after it is given.”.

**32.** Section 124 of the Principal Ordinance is repealed and the following sections are inserted in its stead:—

“124.—(1.) An officer of a corporation shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office.

“(2.) An officer of a corporation shall not make use of information acquired by virtue of his position as such an officer to gain directly or indirectly an advantage for himself or for any other person or to cause detriment to the corporation.

“(3.) An officer of a corporation who commits a breach of a provision of this section is—

- (a) liable to the corporation for—
  - (i) profit made by him; and
  - (ii) damage suffered by the corporation, as a result of the breach; and
- (b) guilty of an offence against this Ordinance.

Penalty: Two thousand dollars.

“(4.) This section has effect in addition to and not in derogation of any other law in force in the Territory relating to the duty or liability of a director or officer of a corporation.

“124A.—(1.) An officer of a corporation who, in or in relation to a dealing in securities of the corporation by himself or another person, makes use to gain directly or indirectly an advantage for himself or another person of confidential information acquired by virtue of his position as such an officer, being information that if generally known might reasonably be expected to affect materially the value of the

Disclosure of interests in contracts, property, offices, &c.

Duty and liability of officers.

Dealings by officers in securities.

subject-matter of the dealing, is liable to a person for loss suffered by that person by reason of the payment by him of a consideration in respect of the securities greater than the consideration that would have been reasonable if the information had been generally known at the time of the dealing.

“(2.) An officer of a corporation is not liable under the last preceding sub-section to a person for loss suffered by that person if that person knew or ought reasonably to have known of the information referred to in that sub-section before entering into the transaction relating to the dealing in securities of the corporation.

“(3.) An action for the recovery of the amount of a loss referred to in sub-section (1.) of this section may not be commenced after the expiration of the period of two years after the date of the completion of the dealing in securities in respect of which the loss was suffered.

“(4.) In this section, ‘dealing in securities’, in relation to a corporation, means a transaction relating to—

- (a) shares in, debentures of, or interests within the meaning of section seventy-six of this Ordinance made available by, the corporation or by a related corporation; or
- (b) rights or options in respect of the acquisition or disposal of such shares, debentures or interests.”

**33.** Sections 126 and 127 of the Principal Ordinance are repealed and the following sections inserted in their stead:—

“126.—(1.) A company shall keep a register showing, with respect to each director of the company, other than a director that is its holding company, particulars of—

- (a) shares in the company or in a related corporation, being shares in which the director has an interest and the nature and extent of that interest;
- (b) debentures of, or participatory interests made available by, the company or a related corporation in which the director has an interest and the nature and extent of that interest;
- (c) rights or options of the director or of the director and another person or other persons in respect of the acquisition or disposal of shares in, debentures of, or participatory interests made available by, the company or a related corporation; and
- (d) contracts to which the director is a party or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in, debentures of, or participatory interests made available by, the company or a related corporation.

“(2.) A company is not required to show in its register with respect to a director particulars of shares in a related corporation that is the wholly-owned subsidiary of the company or of another corporation.

Register of  
directors'  
shareholdings,  
&c.

“(3.) A company that is a wholly-owned subsidiary of another company shall be deemed to have complied with this section in relation to a director who is a director of that other company if the particulars required by this section to be shown in the register of the first-mentioned company with respect to the director are shown in the register of the second-mentioned company.

“(4.) For the purposes of the last two preceding sub-sections, a company is a wholly-owned subsidiary of another company if none of the members of the first-mentioned company is a person other than—

- (a) the second-mentioned company;
- (b) a nominee of the second-mentioned company;
- (c) a subsidiary of the second-mentioned company, being a subsidiary none of the members of which is a person other than the second-mentioned company or a nominee of the second-mentioned company; or
- (d) a nominee of such a subsidiary.

“(5.) A company shall, within seven days after receiving notice from a director under paragraph (a) of sub-section (1.) of the next succeeding section, enter in its register in relation to the director the particulars referred to in that sub-section including the number and description of shares, debentures, participatory interests, rights, options and contracts to which the notice relates and, in respect of shares, debentures, participatory interests, rights or options acquired or contracts entered into after he became a director—

- (a) the price or other consideration for the transaction (if any) by reason of which an entry is required to be made under this section; and
- (b) the date of—
  - (i) the agreement for the transaction or, if it is later, the completion of the transaction; or
  - (ii) where there was no transaction, the occurrence of the event by reason of which an entry is required to be made under this section.

“(6.) A company shall, within three days after receiving a notice from a director under paragraph (b) of sub-section (1.) of the next succeeding section, enter in its register the particulars of the change referred to in the notice.

“(7.) A company is not, by reason of anything done under this section, to be taken for any purpose to have notice of, or to be upon inquiry as to, the right of a person to or in relation to a share in, debenture of, or participatory interest made available by, the company.

“(8.) A company shall, subject to this section, keep its register at the registered office of the company and the register shall be open for inspection by a member of the company without charge and by any other person on payment for each inspection of a sum of Fifty cents or such lesser sum as the company requires.

“(9.) A person may request a company to furnish him with a copy of its register or any part of its register on payment in advance of a sum of Twenty cents or such lesser sum as the company requires for every one hundred words or fractional part of one hundred words required to be copied and the company shall send the copy to that person within twenty-one days or such longer period after the day on which the request is received by the company as the Registrar, on application by the company, thinks fit.

“(10.) The Registrar may at any time in writing require a company to furnish him with a copy of its register or any part of its register and the company shall furnish the copy within seven days after the day on which the requirement is received by the company.

“(11.) A company shall produce its register at the commencement of each annual general meeting of the company and keep it open and accessible during the meeting to all persons attending the meeting.

“(12.) It is a defence to a prosecution for failing to comply with sub-section (1.) or (5.) of this section in respect of particulars relating to a director if the defendant proves that the failure was due to the failure of the director to comply with the next succeeding section with respect to those particulars.

“(13.) In this section, a reference to a participatory interest is a reference to an interest within the meaning of section seventy-six of this Ordinance.

“(14.) In determining, for the purposes of this section, whether a person has an interest in a debenture or participatory interest, the provisions of section six A of this Ordinance, except sub-sections (1.) and (3.) of that section, have effect and in applying those provisions a reference to a share shall be read as a reference to a debenture or participatory interest.

“(15.) If default is made in complying with this section the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance.

Penalty: One thousand dollars. Default penalty.

General duty  
to make  
disclosure.

“127.—(1.) A director of a company shall give notice in writing to the company—

- (a) unless the director is the holding company of the company, of such particulars relating to shares, debentures, participatory interests, rights, options and contracts as are necessary for the purposes of compliance by the first-mentioned company with the provisions of the last preceding section;
- (b) of particulars of any change in respect of the particulars referred to in paragraph (a) of this sub-section of which notice has been given to the company, including the consideration (if any) received as a result of the event giving rise to the change;

- (c) of such events and matters affecting or relating to himself as are necessary for the purposes of compliance by the company with any of the provisions of section one hundred and thirty-four of this Ordinance, as in force immediately before the commencement of this section, section one hundred and eighty-four of this Ordinance, as in force immediately before the first day of June, One thousand nine hundred and seventy-two, Part VI.B. or the Tenth Schedule that are applicable in relation to him; and
- (d) if he is a director of a public company or of a subsidiary of a public company, of the date when he attained or will attain the age of seventy-two years.

Penalty: One thousand dollars.

Default penalty: Two hundred dollars.

“(2.) A person required to give a notice under the last preceding sub-section shall give the notice—

- (a) in the case of a notice under paragraph (a) of that sub-section, within fourteen days after—
  - (i) the commencement of this section;
  - (ii) the date on which the director became a director; or
  - (iii) the date on which the director acquired an interest in the shares, debentures, participatory interests, rights, options or contracts,

whichever last occurs;

- (b) in the case of a notice under paragraph (b) of that sub-section, within fourteen days after the occurrence of the event giving rise to the change referred to in that paragraph; and
- (c) in the case of a notice under paragraph (d) of that sub-section, within fourteen days after—
  - (i) the commencement of this section; or
  - (ii) the date on which the director became a director, whichever last occurs.

Penalty: One thousand dollars.

Default penalty: Two hundred dollars.

“(3.) A company shall, within seven days after the receipt by it of a notice given under sub-section (1.) of this section, send a copy of the notice to each of the other directors of the company.

Penalty: One thousand dollars.

Default penalty: Two hundred dollars.

“(4.) It is a defence to a prosecution for failing to comply with paragraph (a) or (b) of sub-section (1.), or with sub-section (2.), of this section if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that—

- (a) he was not so aware on the date of the information charging him with the offence;
- (b) he became so aware less than fourteen days before the date of the information; or
- (c) he became so aware not less than fourteen days before the date of the information and gave the notice under the relevant sub-section within fourteen days after becoming so aware.

“(5.) For the purposes of the last preceding sub-section, a person shall, in the absence of proof to the contrary, be presumed to have been aware at a particular time of a fact or occurrence of which a servant or agent of the person, being a servant or agent having duties or acting in relation to his master’s or principal’s interest or interests in a share in, a debenture of, or a participatory interest made available by, the company concerned, was aware at that time.

“(6.) In this section, a reference to a participatory interest is a reference to an interest within the meaning of section seventy-six of this Ordinance.

“(7.) In determining, for the purposes of this section, whether a person has an interest in a debenture or participatory interest, the provisions of section six A of this Ordinance, other than sub-sections (1.) and (3.) of that section, have effect and in applying those provisions a reference to a share shall be read as a reference to a debenture or participatory interest.”

Disclosure of amount paid to directors.

**34.** Section 131 of the Principal Ordinance is amended—

- (a) by omitting from sub-section (1.) the words “the emoluments of the directors of the company” and inserting in their stead the words “the emoluments and other benefits received by the directors of the company”; and
- (b) by omitting from paragraph (c) of that sub-section the words “total emoluments paid to each of the directors of the company and to each director” and inserting in their stead the words “total amount of emoluments and other benefits paid to or received by each of the directors of the company and each director”.

Secretary.

**35.** Section 132 of the Principal Ordinance is amended—

- (a) by omitting sub-sections (2.) and (3.) and inserting in their stead the following sub-section:—

“(2.) The secretary or secretaries shall be appointed by the directors and a secretary who ordinarily resides in the Territory shall be present at the registered office of the company by himself or his agent or clerk on the days and at the hours during which the registered office is to be accessible to the public.”; and

- (b) by omitting sub-section (6.) and inserting in its stead the following sub-section:—

“(6.) If default is made in complying with provision of this section, the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance.

Penalty: One hundred dollars. Default penalty.”

**36. Section 134 of the Principal Ordinance is amended—**

Register of  
directors,  
managers and  
secretaries.

- (a) by omitting paragraph (c) of sub-section (2.) and inserting in its stead the following paragraph:—

“(c) particulars of directorships held by the director in other corporations that, under the law of the Territory or of a State or of another Territory of the Commonwealth, are public companies or subsidiaries of public companies;”;

- (b) by omitting from that sub-section all the words from and including the words “in a company” to the end of the sub-section and inserting in their stead the words “of a corporation in a related corporation”; and

- (c) by adding at the end of sub-section (4.) the words “and shall contain his consent in writing to his appointment as manager or secretary, as the case requires”.

**37. Section 136 of the Principal Ordinance is amended—**

Annual  
general  
meeting.

- (a) by omitting sub-section (2.) and inserting in its stead the following sub-sections:—

“(2.) The Registrar may, on application made by a company in accordance with a resolution of the directors and signed by a director or secretary, subject to such conditions as the Registrar thinks fit—

- (a) extend the period of fifteen months or eighteen months referred to in the last preceding sub-section; or
- (b) permit an annual general meeting to be held in a calendar year other than the calendar year in which it would otherwise be required by that sub-section to be held.

“(2A.) A company is not in default in holding an annual general meeting under sub-section (1.) of this section if, in pursuance of an extension or permission under the last preceding sub-section, an annual general meeting is not held within the period or in the calendar year in which it would otherwise be required by sub-section (1.) of this section to be held, as the case may be, but is held within the extended period or in the calendar year in which under the last preceding sub-section it is permitted to be held.

“(2B.) An application by a company for an extension of a period or for permission under sub-section (2.) of this section shall be made before the expiration of that period or of the calendar year in which the annual general meeting would otherwise be required by sub-section (1.) of this section to be held, as the case requires.

“(2c.) Where in a calendar year, other than the year of its incorporation or the following year, a company does not hold an annual general meeting, an annual general meeting of the company shall, for the purposes of calculating the period within which the next annual general meeting is, under sub-section (1.) of this section, required to be held, be deemed to have been held on the thirty-first day of December in that calendar year unless the Registrar otherwise directs or on such other date in that calendar year as the Registrar determines.”; and

- (b) by inserting in sub-section (4.), after the words “annual general meeting”, the words “under this section or in complying with any conditions of the Registrar under sub-section (2.) of this section”.

Convening of  
extraordinary  
general  
meeting on  
requisition.

38. Section 137 of the Principal Ordinance is amended by omitting sub-section (1.) and inserting in its stead the following sub-section:—

“(1.) The directors of a company, notwithstanding anything in its articles, shall, on the requisition—

- (a) of members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital as at that date carries the right of voting at general meetings; or
- (b) in the case of a company not having a share capital, of members representing not less than one-tenth of the total voting rights of all members having at that date a right to vote at general meetings,

or, in either case, of not less than two hundred members, forthwith proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but, in any case, not later than two months after the receipt by the company of the requisition.”.

Calling of  
meetings.

39. Section 138 of the Principal Ordinance is amended—

- (a) by omitting from sub-section (2.) the word “seven” and inserting in its stead the word “fourteen”; and
- (b) by omitting from paragraph (b) of sub-section (3.) all the words from and including the words “together representing” to the end of that paragraph and inserting in their stead the words “together represents not less than ninety-five per centum of the total voting rights of all the members having the right to attend and vote at the meeting”.



Quorum,  
chairman,  
voting, &c.,  
at meetings.

**40. Section 140 of the Principal Ordinance is amended—**

- (a) by omitting from sub-sections (3.), (4.) and (5.) the word “corporation” (wherever occurring) and inserting in its stead the words “body corporate”; and
- (b) by inserting in sub-section (6.), before the word “articles”, the words “memorandum or”.

**41. Section 141 of the Principal Ordinance is amended—**

Proxies.

- (a) by omitting sub-section (1.) and inserting in its stead the following sub-sections:—

“ (1.) Subject to the next three succeeding sub-sections, a member of a company entitled to attend and vote at a meeting of the company, or at a meeting of any class of members of the company, is entitled to appoint—

- (a) in the case of a company not having a share capital—another member or, where the articles so provide, another person (whether a member or not); or
- (b) in any other case—not more than two other persons (whether members or not),

as his proxy or proxies to attend and vote instead of the member at the meeting.

“ (1A.) A proxy appointed to attend and vote instead of a member has the same right as the member to speak at the meeting but, unless the articles otherwise provide, is not entitled to vote except on a poll.

“ (1B.) Where a member appoints two proxies, the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the member’s voting rights.”; and

- (b) by omitting sub-section (3.) and inserting in its stead the following sub-section:—

“ (3.) In every notice calling a meeting of a public company or of a class of members of a public company, there shall appear with reasonable prominence—

- (a) in the case of a public company having a share capital—a statement—
  - (i) that a member entitled to attend and vote is entitled to appoint not more than two proxies;
  - (ii) that where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the members’ voting rights; and
  - (iii) that a proxy need not be a member; or

(b) in the case of a public company not having a share capital—a statement—

- (i) that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the member; and
- (ii) that a proxy must, or need not, be a member (as the case requires),

and, if default is made in complying with this sub-section as respects any meeting, every officer of the company who is in default shall be guilty of an offence against this Ordinance.”.

Limitation of liability of trustee, &c., registered as owner of shares.

**42.** Section 156 of the Principal Ordinance is amended by inserting in sub-section (4.), after the words “on the register”, the words “or branch register kept in the Territory”.

Annual return by a company having a share capital.

**43.** Section 158 of the Principal Ordinance is amended—

(a) by omitting sub-sections (1.) and (2.) and inserting in their stead the following sub-section:—

“ (1.) A company having a share capital shall, in respect of each financial year of the company, lodge with the Registrar a return that—

- (a) is made up to the relevant date in respect of the financial year to which the return relates;
- (b) is in accordance with the form set out in Part II. of the Eighth Schedule or as near thereto as circumstances admit;
- (c) contains such of the particulars referred to in Part I. of the Eighth Schedule and such certificates and other particulars prescribed in Part II. of that Schedule as are applicable to the company;
- (d) is accompanied by such documents as are required to be included in the return in accordance with this Ordinance; and
- (e) is signed by a director, manager or secretary of the company.”; and

(b) by omitting sub-section (4.) and inserting in its stead the following sub-sections:—

“ (4.) A return under sub-section (1.) of this section shall be lodged with the Registrar within one month or, where the company keeps a branch register in a place that is not in a State or Territory of the Commonwealth, within two months—

- (a) in the case of a return made up to the date of the anniversary of the incorporation of the company—after that date; or
- (b) in any other case—after the date of the annual general meeting.

“(4A.) In this section, ‘the relevant date’, in relation to a return in respect of a financial year of a company, means—

- (a) in the case of a company that is not required by this Ordinance to include accounts with the return and, during the whole of that financial year, was an exempt proprietary company—the date of the anniversary of the incorporation of the company that next succeeds the end of that financial year; or
- (b) in any other case—the date determined by the company, being a date not earlier than the date of the annual general meeting before which the accounts of the company for that financial year were laid and not later than the fourteenth day after that date.

“(4B.) In any proceedings for failure to lodge an annual return in accordance with this section, a proprietary company shall, in the absence of proof to the contrary, be deemed to be required to lodge with the Registrar a return made up to the date of the anniversary of the incorporation of the company.”

**44.** After section 159 of the Principal Ordinance the following section is inserted:—

“159A.—(1.) A company that is not required by this Ordinance to lodge accounts with the Registrar shall include in or attach to its annual return under section one hundred and fifty-eight or one hundred and fifty-nine of this Ordinance a statement relating to the accounts of the company required to be laid before the company at its annual general meeting held on the date to which the return is made up or, if an annual general meeting is not held on that date, the annual general meeting last preceding that date, signed by the auditor of the company—

Auditor's  
statement.

- (a) stating whether the company has in his opinion kept proper accounting records and other books during the period covered by those accounts;
- (b) stating whether the accounts have been audited in accordance with this Ordinance; and
- (c) stating whether he referred in his report to any defect or irregularity in the accounts and if so giving particulars of those defects and irregularities.

“(2.) This section does not apply to an exempt proprietary company that—

- (a) is an unlimited company that in pursuance of section one hundred and sixty-five A; or
- (b) in pursuance of section one hundred and sixty-five B,

of this Ordinance did not appoint an auditor to audit the accounts referred to in sub-section (1.) of this section.

“(3.) If a company fails to comply with this section, the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance.

Penalty: Two hundred dollars. Default penalty.”.

45. The heading to Part VI. of the Principal Ordinance, and Divisions 1 and 2 of that Part, are repealed and the following Part is inserted in their stead:—

“PART VI.—ACCOUNTS AND AUDIT.

“Division 1.—Preliminary.

Interpretation.

“161. In this Part and the Ninth Schedule, unless the contrary intention appears—

‘accounting records’, in relation to a corporation, includes such working papers and other documents as are necessary to explain the methods and calculations by which accounts of the corporation are made up;

‘accounts’ means profit and loss accounts and balance-sheets and includes notes, other than auditors’ reports or directors’ reports, attached to or intended to be read with any of those profit and loss accounts or balance-sheets;

‘current liability’, in relation to accounts or group accounts, means a liability that would in the ordinary course of events be payable within twelve months after the end of the financial year to which the accounts or group accounts relate;

‘group accounts’, in relation to a holding company, means—

- (a) a set of consolidated accounts for the group of companies of that holding company;
- (b) two or more sets of consolidated accounts together covering that group;
- (c) separate accounts for each corporation in that group; or
- (d) a combination of one or more sets of consolidated accounts and one or more separate accounts together covering that group;

‘group of companies’, in relation to a holding company, means the holding company and the corporations that are subsidiaries of the holding company;

‘holding company’ means a corporation that is the holding company, within the meaning of section six of this Ordinance, of another corporation;

‘non-current liability’ means a liability that is not a current liability;

‘the profit or loss’ means—

- (a) in relation to a corporation that is not a holding company—the profit or loss resulting from operations of that corporation;

- (b) in relation to a corporation that is a holding company of a group of companies for which group accounts are required—the profit or loss resulting from operations of that corporation;
- (c) in relation to a corporation referred to in the last preceding paragraph and its subsidiaries—the profit or loss resulting from operations of the group of companies of which the corporation is the holding company; and
- (d) in relation to a corporation that is a holding company of a group of companies for which group accounts are not required—the profit or loss resulting from operations of that corporation.

*“ Division 2.—Accounts.*

“ 161A.—(1.) A company shall—

Accounts to  
be kept.

- (a) keep such accounting records as correctly record and explain the transactions and financial position of the company;
- (b) keep its accounting records in such a manner as will enable true and fair accounts of the company to be prepared from time to time; and
- (c) keep its accounting records in such a manner as will enable the accounts of the company to be conveniently and properly audited in accordance with this Ordinance.

“ (2.) A company shall retain the accounting records kept under this section for a period of seven years after the completion of the transactions to which they relate.

“ (3.) The company shall keep the accounting records at such place or places as its directors think fit.

“ (4.) If any accounting records of a company are kept at a place outside the Territory, the company shall keep at a place within the Territory determined by the directors such statements and records with respect to the matters dealt with in the records kept outside the Territory as will enable true and fair accounts, and any documents required by this Ordinance to be attached to the accounts, to be prepared.

“ (5.) The accounting records of the company and any statements and records referred to in the last preceding sub-section shall be kept in written or printed form in the English language or so as to enable the accounting records, statements and records to be readily accessible and readily convertible into written or printed form in the English language.

“ (6.) A company shall give to the Registrar notice in writing of the place in the Territory where any statements and records referred to in sub-section (4.) of this section are kept unless the statements and records are kept at the registered office of the company.

“ (7.) The Court may, on application by a director of a company, authorize a registered company auditor acting for the director to inspect the accounting records of the company and any statements and records referred to in sub-section (4.) of this section.

“ (8.) A company shall make its accounting records and any statements and records referred to in sub-section (4.) of this section available in written or printed form in the English language at all reasonable times for inspection without charge by the directors of the company and by other persons authorized or permitted by or under this Ordinance to inspect the accounting records of the company.

“ (9.) Where a registered company auditor inspects the accounting records or the statements and records referred to in sub-section (4.) of this section in pursuance of an order of the Court under sub-section (7.) of this section, he shall not disclose to a person other than the director on whose application the order was made any information acquired by him in the course of his inspection.

Penalty: Two hundred dollars.

“ (10.) If default is made in complying with a provision of this section, other than the last preceding sub-section, the company, a director of the company who failed to take all reasonable steps to secure compliance by the company with the provision and every officer of the company who is in default is guilty of an offence.

Penalty: One thousand dollars or imprisonment for six months.

Default penalty: Fifty dollars.

“ (11.) In any proceedings against a person for failure to take all reasonable steps to secure compliance by a company with a provision of this section, it is a defence to prove that he had reasonable grounds to believe and did believe that a competent and reliable person was charged with the duty of seeing that that provision was complied with and was in a position to discharge that duty.

Financial years  
of grouped  
companies.

“ 161B.—(1.) Subject to this section, the directors of a holding company that is not a foreign company shall take such steps as are necessary to ensure that—

- (a) within twelve months after a corporation becomes a subsidiary of the holding company, the financial year of that corporation coincides with the financial year of the holding company; and
- (b) the financial year of each of its other subsidiaries coincides with the financial year of the holding company.

“ (2.) Where the financial year of a holding company that is not a foreign company and the financial year of each of its subsidiaries coincide, the directors of the holding company shall at all times take such steps as are necessary to ensure that, except with the consent of the Registrar, the financial year of the holding company or any of its subsidiaries is not altered in such a way that all of those financial years no longer coincide.

“(3.) Where the directors of a holding company that is not a foreign company are of the opinion that there is good reason why the financial year of any of its subsidiaries should not coincide with the financial year of the holding company, they may apply in writing to the Registrar for an order authorizing the subsidiary to continue to have or to adopt (as the case requires) a financial year that does not coincide with that of the holding company.

“(4.) The application shall be supported by a statement in writing made in accordance with a resolution of the directors of the holding company, signed by not less than two directors and stating the reasons for seeking the order.

“(5.) The Registrar may require the directors making the application to supply such information relating to the operations of the holding company, and of any related corporation, as the Registrar thinks necessary for the purpose of determining the application.

“(6.) The Registrar may request a registered company auditor to investigate and report to him on the application.

“(7.) The costs of an investigation and report under the last preceding sub-section are payable by the holding company of which the applicants are directors.

“(8.) The Registrar may make an order granting or refusing the application or granting the application subject to such limitations, terms or conditions as he thinks fit, and shall serve a copy of the order on the holding company.

“(9.) Where the applicants are aggrieved by an order made by the Registrar, the applicants may, within two months after the service of the order upon the holding company, appeal against the order to the Board.

“(10.) The Board shall determine the appeal and, in determining the appeal, may make any order that the Registrar had power to make on the original application and may exercise any of the powers that the Registrar might have exercised in relation to the original application.

“(10A.) The directors of the holding company may, within one month after the date of the decision by the Board, appeal to the Court from that decision and the Court may confirm, vary or reverse the decision and may make such further order in the matter as to it seems proper.

“(11.) Where the directors of a holding company have applied to the Registrar for an order under this section, sub-section (1.) of this section shall be deemed not to apply to or in relation to the subsidiary to which the application relates until the determination of the application and of any appeal arising out of the application.

“(12.) Where an order is made authorizing a subsidiary to have or to adopt a financial year that does not coincide with that of its holding company, compliance with the terms of the order of the Registrar, or, where there has been an appeal, with the terms of any order made on the determination of the appeal, shall be deemed to be compliance with the provisions of sub-section (1.) of this section in relation to the subsidiary.

“(13.) Where an application for an order by the Registrar under this section has been refused and there is no appeal, or where there has been an appeal and the appeal has been dismissed, the time within which the directors of the holding company are required to comply with the provisions of sub-section (1.) of this section in relation to the subsidiary shall be deemed to be the period of twelve months after the date upon which the order of the Registrar is served on the holding company or, where there has been an appeal, the period of twelve months after the determination of the appeal.

“(14.) Where the directors of a holding company have applied to the Registrar for an order under this section and the application has been refused and the appeal (if any) arising out of the refusal has been dismissed, the directors of the holding company shall not be entitled to make an application under this section with respect to the subsidiary within three years after the refusal of the first-mentioned application or, where there was an appeal, after the dismissal of the appeal, unless the Registrar is satisfied that there has been a substantial change in the relevant facts or circumstances since the refusal of the former application or the determination of the appeal, as the case may be.

Profit and  
loss account,  
balance-sheet  
and group  
accounts.

“162.—(1.) The directors of a company shall cause to be made out and laid before the company at each annual general meeting a profit and loss account for the period since the date to which the last preceding profit and loss account so laid was made up, or, in the case of the first profit and loss account, since the date of the incorporation of the company, made up for a period ending on a date not earlier than six months before the date of the meeting, giving a true and fair view of the profit or loss of the company for that period.

“(2.) Notwithstanding the provisions of the last preceding sub-section, the Registrar may, by order, on application made in accordance with a resolution of the directors, and signed on behalf of the company by a director or secretary, allow, subject to such conditions as the Registrar thinks fit, a profit and loss account of that company to be made up to a date earlier than six months before the date of the annual general meeting before which it is to be laid.

“(2A.) An appeal lies to the Board from a decision of the Registrar under the last preceding sub-section.

“(2B.) An appeal under the last preceding sub-section shall be made by the directors of the company within two months after the date of the decision.

“(2C.) The Board shall determine the appeal and, in determining the appeal, may make any order that the Registrar had power to make on the original application and may exercise any of the powers that the Registrar might have exercised in relation to the original application.

“(2D.) The directors of the company may, within one month after the date of the decision by the Board, appeal to the Court from that decision and the Court may confirm, vary or reverse the decision and may make such further order in the matter as to it seems proper.



“(3.) The directors of a company shall cause to be made out and laid before the company at each annual general meeting a balance-sheet as at the end of the financial year, giving a true and fair view of the state of affairs of the company as at the end of the financial year.

“(4.) Where, at the end of its financial year, a company is a holding company, the directors of the company shall, subject to the next succeeding sub-section, also cause to be made out and laid before the company at its annual general meeting group accounts dealing with—

- (a) the profit or loss of the company and its subsidiaries for their respective last financial years; and
- (b) the state of affairs of the company and its subsidiaries as at the end of their respective last financial years,

and giving a true and fair view of the profit or loss and state of affairs so far as they concern members of the holding company.

“(5.) Group accounts are not required to be made out and laid before a company in accordance with the last preceding sub-section where the company is, at the end of its financial year, a wholly-owned subsidiary of another corporation incorporated in a State or Territory of the Commonwealth.

“(6.) For the purposes of the last preceding sub-section, a company is a wholly-owned subsidiary of another corporation if none of the members of the company is a person other than—

- (a) that other corporation;
- (b) a nominee of that other corporation;
- (c) a subsidiary of that other corporation, being a subsidiary none of the members of which is a person other than that other corporation or a nominee of that other corporation; or
- (d) a nominee of such a subsidiary.

“(7.) The directors shall, before the profit and loss account and balance-sheet referred to in sub-sections (1.) and (3.) of this section are made out, take reasonable steps—

- (a) to ascertain what action has been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts;
- (b) to ascertain whether any current assets, other than current assets to which the last preceding paragraph applies, are unlikely to realize in the ordinary course of business their value as shown in the accounting records of the company and, if so, to cause—
  - (i) those assets to be written down to an amount which they might be expected so to realize; or

- (ii) adequate provision to be made for the difference between the amount of the value as so shown and the amount that they might be expected so to realize; and
- (c) to ascertain whether any non-current asset is shown in the books of the company at an amount that, having regard to its value to the company as a going concern, exceeds the amount that it would have been reasonable for the company to spend to acquire that asset as at the end of the financial year and, unless adequate provision for writing down that asset is made, to cause to be included in the accounts such information and explanations as will prevent the accounts from being misleading by reason of the overstatement of the amount of that asset.

“(8.) Not less than fourteen days before each annual general meeting of a company, the accounts of the company and, if it is a holding company for which group accounts are required, the group accounts shall, except in the case of a company that in pursuance of section one hundred and sixty-five A or one hundred and sixty-five B of this Ordinance did not appoint an auditor to audit those accounts, be audited as required by this Part and the auditor’s report required by section one hundred and sixty-seven of this Ordinance shall be attached to or endorsed upon the accounts and group accounts.

“(9.) Without affecting the generality of the preceding provisions of this section, the accounts of a company and, if it is a holding company for which group accounts are required, the group accounts shall comply with such of the requirements of the Ninth Schedule as are applicable to them but, where accounts or group accounts prepared in accordance with those requirements would not otherwise give a true and fair view of the matters required by this section to be dealt with in the accounts or group accounts, the directors of the company shall add such information and explanations as will give a true and fair view of those matters.

“(10.) There shall be attached to the accounts to be laid before a company at its annual general meeting, before the auditor reports on the accounts under this Part, a statement made in accordance with a resolution of the directors and signed by not less than two directors stating whether, in the opinion of the directors—

- (a) the profit and loss account is drawn up so as to give a true and fair view of the profit or loss of the company for the financial year; and
- (b) the balance-sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at the end of the financial year.

“(11.) There shall be attached to group accounts of a holding company to be laid before the company at its annual general meeting, before the auditor reports on the group accounts under this Part, a

statement made in accordance with a resolution of the directors of the company and signed by not less than two directors stating whether, in the opinion of the directors, the group accounts are drawn up so as to give a true and fair view of—

- (a) the profit or loss of the company and its subsidiaries for their respective last financial years; and
- (b) the state of affairs of the company and its subsidiaries as at the end of their respective last financial years,

so far as they concern members of the holding company.

“(12.) The directors of a company shall cause to be attached to the accounts of the company and, if it is a holding company, group accounts to be laid before the company at its annual general meeting, before the auditor reports on the accounts or group accounts under this Part, a statement signed by the principal accounting officer of the company, or other person in charge of the preparation of the company’s accounts or of the group accounts, stating whether to the best of his knowledge and belief the accounts or group accounts, as the case may be, give a true and fair view of the matters required by this section to be dealt with in the accounts or group accounts, as the case may be.

“162A.—(1.) The directors of a company, other than a holding company for which group accounts are required, shall cause to be attached to every balance-sheet made out under sub-section (3.) of the last preceding section a report made in accordance with a resolution of the directors and signed by not less than two of the directors with respect to the profit or loss of the company for the financial year and the state of the company’s affairs as at the end of the financial year, stating—

Directors’  
reports.

- (a) the names of the directors in office at the date of the report;
- (b) the principal activities of the company in the course of the financial year and any significant change in the nature of those activities during that period;
- (c) the net amount of the profit or loss of the company for the financial year after provision for income tax;
- (d) the amounts and particulars of any material transfers to or from reserves or provisions during the financial year;
- (e) where, during the financial year, the company has issued any shares or debentures—the purposes of the issue, the classes of shares or debentures issued, the number of shares of each class and the amount, term and rate of debentures of each class, and the terms of issue of each class of the shares;
- (f) the amount, if any, which the directors recommend should be paid by way of dividend, and any amounts which have been paid or declared by way of dividend since the end of the previous financial year, indicating which of those amounts (if any) have been shown in a previous report under this sub-section or the next succeeding sub-section or under a corresponding previous law of the Territory;

- (g) whether the directors, before the profit and loss account and balance-sheet were made out, took reasonable steps to ascertain what action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts;
- (h) whether at the date of the report the directors are aware of any circumstances that would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent and, if so, giving particulars of the circumstances;
- (i) whether the directors, before the profit and loss account and balance-sheet were made out, took reasonable steps to ascertain whether any current assets, other than current assets to which paragraph (g) of this sub-section applies, were unlikely to realize in the ordinary course of business their value as shown in the accounting records of the company and, if so, to cause—
  - (i) those assets to be written down to an amount which they might be expected so to realize; or
  - (ii) adequate provision to be made for the difference between the amount of the value as so shown and the amount that they might be expected so to realize;
- (j) whether at the date of the report the directors are aware of any circumstances that would render the values attributed to current assets in the accounts misleading and, if so, giving particulars of the circumstances;
- (k) whether there exists at the date of the report—
  - (i) any charge on the assets of the company that has arisen since the end of the financial year and secures the liabilities of any other person and, if so, giving particulars of the charge and, so far as practicable, of the amount secured; and
  - (ii) any contingent liability that has arisen since the end of the financial year and, if so, stating the general nature of the liability and, so far as practicable, the maximum amount, or an estimate of the maximum amount, for which the company could become liable in respect of the liability;
- (l) whether any contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year that, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due and, if so, giving particulars of that liability;

- (m) whether at the date of the report the directors are aware of any circumstances not otherwise dealt with in the report or accounts that would render any amount stated in the accounts misleading and, if so, giving particulars of the circumstances;
- (n) whether the results of the company's operations during the financial year were, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature and, if so, giving particulars of that item, transaction or event and the amount or the effect thereof, if known or reasonably ascertainable; and
- (o) whether there has arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the company's operations for the next succeeding financial year and, if so, giving particulars of the item, transaction or event.

“(2.) The directors of a holding company shall cause to be attached to all group accounts made out under sub-section (4.) of the last preceding section a report made in accordance with a resolution of the directors, and signed by not less than two of them, with respect to the profit or loss and the state of affairs of the group of companies of the holding company as at the end of the financial year of the holding company, stating—

- (a) the names of the directors of the holding company in office at the date of the report;
- (b) the principal activities of the corporations in the group in the course of the financial year and any significant change in the nature of those activities during that period;
- (c) the net amount of the consolidated profit or loss of the group for the financial year after provision for income tax, showing separately the extent to which each corporation in the group contributed to that consolidated profit or loss, and after deducting from that consolidated profit or loss any amounts which should properly be attributed to any person other than a corporation in the group;
- (d) the names of any subsidiaries acquired or disposed of during the financial year, the consideration for each such acquisition or disposal and the amount in each case of the net tangible assets of the subsidiary acquired or disposed of and, in the case of a subsidiary not being a wholly-owned subsidiary, the extent of the holding company's interest in the subsidiary;
- (e) the amounts and particulars of any material transfers to or from reserves or provisions of a corporation in the group during the financial year;
- (f) where, during the financial year, a corporation in the group has issued shares or debentures—the purposes of the issue,

the classes of shares or debentures issued, the number of shares of each class and the amount, term and rate of debentures of each class, and the terms of issue of each class of the shares;

- (g) the amount (if any) that the directors of the holding company recommend should be paid by way of dividend, and any amounts which have been paid or declared by way of dividend since the end of the previous financial year of the holding company, indicating which of those amounts (if any) have been shown in a previous report under this sub-section or the last preceding sub-section or under a corresponding previous law of the Territory;
- (h) the amount (if any) of dividends paid to or declared in favour of the holding company by each of the subsidiaries since the end of the previous financial year and up to the date of the report, except so far as those dividends are shown in the group accounts in accordance with the Ninth Schedule;
- (i) whether, so far as debts owing to the holding company are concerned, the directors of the holding company, before the profit and loss account and balance-sheet were made out, took reasonable steps to ascertain what action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts;
- (j) whether at the date of the report the directors of the holding company are aware of any circumstances that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the group of companies inadequate to any substantial extent and, if so, giving particulars of the circumstances;
- (k) whether the directors of the holding company, before the profit and loss account and balance-sheet were made out, took reasonable steps to ascertain whether any current assets of the holding company, other than current assets to which paragraph (i) of this sub-section applies, were unlikely to realize in the ordinary course of business their value as shown in the accounting records of the company and, if so, to cause—
  - (i) those assets to be written down to an amount which they might be expected so to realize; or
  - (ii) adequate provision to be made for the difference between the amount of the value as so shown and the amount that they might be expected so to realize;
- (l) whether at the date of the report the directors of the holding company are aware of any circumstances that would render the values attributed to current assets in the group accounts misleading and, if so, giving particulars of the circumstances;

- (m) whether there exists at the date of the report—
- (i) any charge on the assets of any corporation in the group that has arisen since the end of the financial year and secures the liabilities of any other person and, if so, giving particulars of that charge and, so far as practicable, of the amount secured; and
  - (ii) any contingent liability of any corporation in the group that has arisen since the end of the financial year and, if so, stating the general nature of the liability and, so far as practicable, the maximum amount, or an estimate of the maximum amount, for which the corporation could become liable in respect of the liability;
- (n) whether any contingent or other liability of any corporation in the group has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year that, in the opinion of the directors of the holding company, will or may affect the ability of the corporation to meet its obligations as and when they fall due and, if so, giving particulars of that liability;
- (o) whether, at the date of the report, the directors of the holding company are aware of any circumstances, not otherwise dealt with in the report or group accounts, that would render any amount stated in the group accounts misleading and, if so, giving particulars of the circumstances;
- (p) whether the results of the operations of the group or of a corporation in the group during the financial year were, in the opinion of the directors of the holding company, substantially affected by any item, transaction or event of a material and unusual nature and, if so, giving particulars of that item, transaction or event and the amount or the effect thereof, if known or reasonably ascertainable; and
- (q) whether there has arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the holding company, to affect substantially the results of the operations of any corporation in the group for the next succeeding financial year and, if so, giving particulars of the item, transaction or event.

“(3.) In the last two preceding sub-sections, the expression ‘any item, transaction or event of a material and unusual nature’ includes but is not limited to—

- (a) any change in accounting principles adopted since the last report;
- (b) any material change in the method of valuation of the whole or any part of the trading stock;
- (c) any material item appearing in the accounts or group accounts for the first time or not usually included in the accounts or group accounts; and

- (d) any absence from the accounts or group accounts of any material item usually included in the accounts or group accounts.

“ (4.) The provisions of—

- (a) paragraphs (a), (b), (d), (i) and (m) of sub-section (1.); and  
 (b) paragraphs (a), (b), (e), (k) and (l) of sub-section (2.),  
 of this section do not apply to or in relation to an exempt proprietary company.

“ (5.) Where, at the end of its financial year, a company is the subsidiary of another corporation, the directors of the company shall state in, or in a note on or statement annexed to, the company's accounts laid before the company at its annual general meeting the name of the corporation that they believe to be the company's ultimate holding company and, if known to them, the country in which that holding company is incorporated.

“ (6.) Where a company, other than a holding company for which group accounts are required, has at any time granted to a person an option to have issued to him shares of the company, the directors shall state in the report made under this section—

- (a) in the case of an option so granted during the financial year or since the end of the financial year—
- (i) the name of the person to whom the option was granted or, where it was granted generally to all the holders of shares or debentures or of a class of shares or debentures of that company or of another corporation, that the option was so granted;
  - (ii) the number and classes of shares in respect of which the option was granted;
  - (iii) the date of expiration of the option;
  - (iv) the basis upon which the option is or was to be exercised; and
  - (v) whether the person entitled to exercise the option had or has a right, by virtue of the option, to participate in a share issue of another corporation;
- (b) particulars of shares issued, during the financial year or since the end of the financial year, by virtue of the exercise of an option; and
- (c) the number and classes of unissued shares under option as at the date of the report, the prices, or the method of fixing the prices, of issue of those shares, the dates of expiration of the options and particulars of the rights, if any, of the holders of the options to participate by virtue of the options in a share issue of another corporation.



“(7.) Where any of the particulars required by the last preceding sub-section have been stated in a previous report, they may be stated by reference to that report.

“(8.) Where a company is a holding company and it or any of its subsidiaries has at any time granted to a person an option to have issued to him shares of the company or of a subsidiary, the directors of the holding company shall state in the report made under this section the name of the corporation in respect of shares in which the option was granted and the other particulars referred to in sub-section (6.) of this section.

“(9.) The directors of a company shall state in the report whether since the end of the previous financial year a director of the company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts or, if the company is a holding company, the group accounts in accordance with the Ninth Schedule, or the fixed salary of a full-time employee of the company, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, and, if so, the general nature of the benefit.

“(10.) Every statement, report or other document relating to the affairs of a company or any of its subsidiaries attached to or included with a report of the directors laid before the company at its annual general meeting or sent to the members under section one hundred and sixty-four of this Ordinance, not being a statement, report or document required by this Ordinance to be laid before the company in general meeting, shall, for the purposes of section three hundred and seventy-five of this Ordinance, be deemed to be part of that last-mentioned report.

“(11.) For the purposes of this section, a corporation is a wholly-owned subsidiary of another corporation if none of the members of the corporation is a person other than—

- (a) that other corporation;
- (b) a nominee of that other corporation;
- (c) a subsidiary of that other corporation, being a subsidiary none of the members of which is a person other than that other corporation or a nominee of that other corporation;  
or
- (d) a nominee of such a subsidiary.

“162B.—(1.) Subject to sub-section (6.) of this section, the directors of a holding company shall not cause to be made out the group accounts referred to in sub-section (4.) of section one hundred and sixty-two of this Ordinance or make the report referred to in sub-section (2.) of the last preceding section unless they have received from each subsidiary its audited accounts, the statements required under section one hundred and sixty-two of this Ordinance, directors' report in accordance with the last preceding section and auditor's report in accordance with section one hundred and sixty-seven of this Ordinance.

Group accounts not to be issued, &c., until receipt of subsidiaries' accounts, &c.

“(2.) The directors of a holding company shall take reasonable steps to ensure that, when they make their report under the last preceding section, they will have available to them a report that has been made by the directors of each subsidiary and, if necessary, revised or added to by the directors of the subsidiary and represents the state of affairs of the subsidiary not more than one month earlier than the date on which the report of the directors of the holding company is made.

“(3.) Where a subsidiary of a holding company is incorporated outside the Territory, it is sufficient compliance with this section if the directors of the holding company receive from the subsidiary accounts and reports corresponding to those required under this section and in accordance with the law of the place of incorporation of the subsidiary.

“(4.) The directors of a subsidiary shall, at the request of the directors of the holding company, supply all such information as is required for the preparation of group accounts of the holding company and its subsidiaries, and of the report of the directors of the holding company.

“(5.) The directors of a holding company are, unless they know or have reason to suspect that any matter in any accounts, report or information furnished by the directors of a subsidiary is false or misleading, entitled to rely on the accounts, report or information for the purpose of the preparation of the group accounts and their report so far as they relate to the affairs of the subsidiary.

“(6.) Where the directors of a holding company, having taken all such steps as are reasonably available to them, are unable to obtain from the directors of a subsidiary any accounts, report or other information required for the preparation of the group accounts and the directors' report of the group, they may cause to be made out the group accounts and make the directors' report without incorporating therein or including therewith the first-mentioned accounts, report or other information relating to the subsidiary but with such qualifications and explanations as are necessary to prevent the group accounts and report from being misleading.

“(7.) Where the directors of a holding company have caused to be made out the group accounts and have made the directors' report in accordance with the last preceding sub-section, they shall send to the shareholders of the holding company, within one month after receiving the accounts, report or other information from the directors of the subsidiary, a copy of the accounts and report or a statement embodying the other information, as the case may be, together with a statement by the directors of the holding company containing such qualifications and explanations of the group accounts and of their report as are necessary having regard to the accounts, report or information received from the subsidiary.

“162c.—(1.) The directors of a company may apply to the Registrar in writing for an order relieving them from compliance with any specified requirements of this Ordinance relating to the form and content of accounts or group accounts or to the form and content of the report required by sub-section (1.) or (2.) of section one

Relief from requirements as to form and content of accounts and reports.

hundred and sixty-two A of this Ordinance and the Registrar may make an order relieving the directors from compliance with all or any of those requirements either unconditionally or on condition that the directors comply with such other requirements relating to the form and content of the accounts or group accounts or report as the Registrar thinks fit to impose.

“(2.) The Registrar may, where he considers it appropriate, make an order in respect of a specified class of companies relieving the directors of a company in that class from compliance with any specified requirements of this Ordinance relating to the form and content of accounts or group accounts or to the form and content of the report required by sub-section (1.) or (2.) of section one hundred and sixty-two A of this Ordinance and the order may be made either unconditionally or on condition that the directors of the company comply with such other requirements relating to the form and content of accounts or group accounts or report as the Registrar thinks fit to impose.

“(3.) The Registrar shall not make an order under either of the last two preceding sub-sections unless he is of the opinion that compliance with the requirements of this Ordinance would render the accounts or group accounts or report, as the case may be, misleading or inappropriate to the circumstances of the company or would impose unreasonable burdens on the company or an officer of the company.

“(4.) The Registrar may make an order under sub-section (1.) or (2.) of this section that may be limited to a specified period and—

(a) in the case of an order under sub-section (1.) of this section—may from time to time either on application by the directors or without any such application (in which case the Registrar shall give to the directors an opportunity of being heard) revoke or suspend the operation of the order; or

(b) in the case of an order under sub-section (2.) of this section—may from time to time revoke or suspend the operation of the order.

“(5.) In determining any application under sub-section (1.) of this section, in making an order under sub-section (2.) or this section or in revoking or suspending the operation of any order made under this section, the Registrar shall take into account any views that he knows to be held by the persons who in the States and the other Territories of the Commonwealth exercise under the corresponding laws of those States and Territories functions similar to those exercised by the Registrar under this section.

“(6.) An appeal lies to the Board from a decision of the Registrar under this section.

“(7.) An appeal under the last preceding sub-section shall be made by the directors of the company within two months after the date of the decision.

“(8.) The Board shall determine the appeal and, in determining the appeal, may make any order that the Registrar had power to make on

the original application and may exercise any of the powers that the Registrar might have exercised in relation to the original application.

“(9.) The directors of the company may, within one month after the date of the decision by the Board, appeal to the Court from that decision and the Court may confirm, vary or reverse the decision and may make such further order in the matter as to it seems proper.

Failure to  
comply with  
this Division.

“163.—(1.) Subject to the succeeding provisions of this section, if a director of a company fails to take all reasonable steps to comply with, or to secure compliance with, any of the preceding provisions of this Division, other than section one hundred and sixty-one A of this Ordinance, or has by his own wilful act been the cause of any default under any of those provisions, he is guilty of an offence against this Ordinance.

Penalty: One thousand dollars or imprisonment for six months.

“(2.) In proceedings against a person for failure to take all reasonable steps to comply with, or to secure compliance with, the preceding provisions of this Division relating to the form and content of the accounts of a company or group accounts of a holding company by reason of an omission from the accounts or group accounts, it is a defence to prove that the omission was not intentional and that the information omitted was immaterial and did not affect the giving of a true and fair view of the matters required by the last preceding section to be dealt with in the accounts or group accounts, as the case may be.

“(3.) If an offence against this section is committed with intent to deceive or defraud creditors of the company or creditors of another person or for a fraudulent purpose, the offender is liable to a penalty not exceeding Two thousand dollars or to imprisonment for a term of not more than one year or both.

“(4.) A person shall not be sentenced to imprisonment for an offence against this section unless in the opinion of the court the offence was committed wilfully.

Members of  
company  
entitled to  
balance-sheet,  
&c.

“164.—(1.) A company shall, not less than fourteen days before each annual general meeting, send a copy of all accounts and, if it is a holding company, group accounts that are to be laid before the company at the meeting, accompanied by a copy of the statements required under section one hundred and sixty-two, a copy of the directors' report required under section one hundred and sixty-two A and a copy of the auditor's report or reports required by section one hundred and sixty-seven of this Ordinance, to all persons entitled to receive notice of general meetings of the company.

“(2.) A member of a company, whether or not he is entitled to have sent to him copies of the accounts or group accounts, to whom copies have not been sent, and a holder of debentures, shall, on request in writing being made by him to the company, be furnished by the company as soon as practicable and without charge with a copy of the last accounts and group accounts (if any) laid or to be laid before the company at its annual general meeting, together with copies of the other

documents required under the last preceding sub-section to accompany those accounts and group accounts (if any).

“ (3.) If default is made in complying with either of the last two preceding sub-sections, the company and every officer of the company who is in default is guilty of an offence against this Ordinance, unless it is proved that the person concerned had already been furnished with a copy of the accounts or group accounts and all documents referred to in those sub-sections before the default was made.

Penalty: Four hundred dollars.

Default penalty: Fifty dollars.

“ (4.) This section shall not apply to or in relation to a mutual life assurance company limited by guarantee registered under the law of the Commonwealth relating to life insurance.

“ *Division 3.—Audit.*

“ 165.—(1.) Subject to this section, a person shall not—

- (a) consent to be appointed as auditor of a company;
- (b) act as auditor of a company; or
- (c) prepare a report required by this Ordinance to be prepared by a registered company auditor or by an auditor of a company,

Qualifications  
of auditors.

if the person—

- (d) is not a registered company auditor;
- (e) is indebted in an amount exceeding One thousand dollars to the company or to a related corporation; or
- (f) except where the company is an exempt proprietary company—
  - (i) is an officer of the company;
  - (ii) is a partner, employer or employee of an officer of the company; or
  - (iii) is a partner or employee of an employee of an officer of the company.

Penalty: Two hundred dollars. Default penalty.

“ (2.) A firm shall not—

- (a) consent to be appointed as auditor of a company;
- (b) act as auditor of a company; or
- (c) prepare a report required by this Ordinance to be prepared by a registered company auditor or by an auditor of a company,

unless—

- (d) at least one member of the firm is ordinarily resident in a State or Territory of the Commonwealth;

- (e) all the members of the firm ordinarily so resident are registered company auditors;
- (f) where the business name under which the firm is carrying on business is not registered under the *Business Names Ordinance* 1963-1966, a return in the prescribed form showing the full names and addresses of all the members of the firm has been lodged with the Registrar;
- (g) no member of the firm is indebted in an amount exceeding One thousand dollars to the company or to a related corporation;
- (h) except where the company is an exempt proprietary company, no member of the firm is—
  - (i) an officer of the company;
  - (ii) a partner, employer or employee of an officer of the company; or
  - (iii) a partner or employee of an employee of an officer of the company; and
- (i) no officer of the company receives any remuneration from the firm for acting as a consultant to it on accounting or auditing matters.

“(3.) For the purposes of the last two preceding sub-sections, a person shall be deemed to be an officer of a company if—

- (a) he is an officer of a related corporation; or
- (b) except where the Board, if it thinks fit in the circumstances of the case, directs otherwise, he has, at any time within the immediately preceding period of twelve months, been an officer or promoter of the company or of such a corporation.

“(3A.) The person may, within one month after the date of the decision by the Board, appeal to the Court from that decision and the Court may confirm, vary or reverse the decision and may make such further order in the matter as to it seems proper.

“(4.) For the purposes of this section, a person shall not be deemed to be an officer of a company by reason only of his being or having been the liquidator of that company or of a related corporation.

“(5.) For the purposes of this section, a person shall not be deemed to be an officer of a company by reason only of his having been appointed as auditor of that company or of a related corporation or, for any purpose relating to taxation, a public officer of a corporation or by reason only of his being or having been authorized to accept on behalf of the company or a related corporation service of process or any notices required to be served on the company or related corporation.

“(6.) The appointment of a firm as auditor of a company shall be taken to be an appointment of all persons who are members of

the firm, whether resident in a State or Territory of the Commonwealth or not, at the date of the appointment.

“(7.) Where a firm has been appointed as auditor of a company and the members constituting the firm change by reason of the death, retirement or withdrawal of a member or by reason of the admission of a new member, the firm as newly constituted shall, if it is not disqualified from acting as auditor of the company by virtue of sub-section (2.) of this section, be deemed to be appointed under section one hundred and sixty-six of this Ordinance as auditor of the company and that appointment shall be taken to be an appointment of all persons who are members of the firm as newly constituted.

“(8.) A report required to be signed on behalf of a firm appointed as auditor of a company shall be signed in the firm name and in his own name by a member of the firm who is a registered company auditor.

“(9.) If, in contravention of this section, a firm consents to be appointed or acts as auditor of a company or prepares a report required by this Ordinance to be prepared by a registered company auditor or by an auditor of a company, each member of the firm is guilty of an offence against this Ordinance.

Penalty: Two hundred dollars.

“(10.) Where it is, in the opinion of the Board, impracticable for an exempt proprietary company to obtain the services of a registered company auditor as auditor of the company in view of the place where the company carries on business, a person who is, in the opinion of the Board, suitably qualified or experienced and is approved by the Board for the purposes of this Ordinance in relation to the audit of the company's accounts may be appointed as auditor of the company, subject to such terms and conditions as are specified in the approval.

“(11.) A person appointed in accordance with the last preceding sub-section shall, in relation to the auditing of the company's accounts and, if it is a holding company for which group accounts are required, group accounts but subject to the terms and conditions of the approval under that sub-section, be deemed to be a registered company auditor and the provisions of this Ordinance shall, with the necessary modifications, apply to and in relation to him accordingly.

“(12.) Where a person approved by the Board under sub-section (10.) of this section is acting as auditor of a company, the Board may at any time, by notice in writing given to the company—

- (a) amend, revoke or vary the terms and conditions of its approval; or
- (b) determine the appointment of that person as auditor of the company.

“(13.) A notice under the last preceding sub-section determining the appointment of a person as auditor of a company shall take effect as if, on the date on which the notice is received by the company, the company had received from the person notice of his resignation as auditor taking effect from that date.

“(14.) A person shall not—

- (a) if he has been appointed auditor of a company—wilfully disqualify himself while the appointment continues from acting as auditor of the company; or
- (b) if he is a member of a firm that has been appointed auditor of a company—wilfully disqualify the firm while the appointment continues from acting as auditor of the company.

Penalty: One hundred dollars.

Unlimited  
exempt  
proprietary  
company need  
not appoint  
auditor  
in certain  
circumstances.

“165A.—(1.) Notwithstanding the provisions of this Part, an exempt proprietary company that is an unlimited company is not required to appoint an auditor at an annual general meeting, whether that meeting is the first annual general meeting held after the company is incorporated as, or converts to, such a company or is a subsequent annual general meeting, if—

- (a) at the date of the annual general meeting, no member of the company is a person other than a natural person, an exempt proprietary company that is an unlimited company or a corporation that, under the law of a State or of another Territory of the Commonwealth, is an exempt proprietary company that is an unlimited company; and
- (b) not more than one month before the annual general meeting, all the members of the company have agreed that it is not necessary for the company to appoint an auditor.

“(2.) The directors of an exempt proprietary company that is an unlimited company are not required to comply with sub-section (1.) of section one hundred and sixty-six of this Ordinance if—

- (a) all the members of the company have agreed, on a date not later than fourteen days after the incorporation of the company, that it is not necessary for the company to appoint an auditor; and
- (b) between the date of the incorporation of the company and the date referred to in the last preceding paragraph, no member of the company is a person other than a natural person, an exempt proprietary company that is an unlimited company or a corporation that, under the law of a State or of another Territory of the Commonwealth, is an exempt proprietary company that is an unlimited company.

“(3.) Where a company, by reason of the circumstances referred to in either of the last two preceding sub-sections, does not have an



auditor, the secretary of the company shall record a minute to that effect in the book containing the minutes of proceedings of general meetings of the company.

“(4.) An exempt proprietary company that is an unlimited company and that at an annual general meeting did not appoint an auditor shall at the next annual general meeting of the company appoint an auditor unless the conditions referred to in sub-section (1.) of this section are satisfied.

“(5.) Within one month after—

- (a) a company that, by reason of the circumstances referred to in sub-section (1.) or (2.) of this section, does not have an auditor ceases to be an exempt proprietary company or ceases to be an unlimited company; or
- (b) a body corporate other than—
  - (i) an exempt proprietary company that is an unlimited company; or
  - (ii) a corporation that, under the law of a State or of another Territory of the Commonwealth, is an exempt proprietary company that is an unlimited company,

becomes a member of an exempt proprietary company that, by reason of the circumstances referred to in sub-section (1.) or (2.) of this section, does not have an auditor,

the directors of the company shall appoint, unless the company at a general meeting has appointed, a person or persons or a firm as auditor or auditors of the company.

“(6.) A person or firm appointed as auditor of a company under the last preceding sub-section shall, subject to this Division, hold office until the next annual general meeting of the company and sub-section (1.) of this section shall not apply to or in relation to that company.

“165B.—(1.) Notwithstanding the provisions of this Part, an exempt proprietary company that is not an unlimited company is not required to appoint an auditor at an annual general meeting, whether that meeting is the first annual general meeting held after the company is incorporated as, or becomes, such a company or is a subsequent annual general meeting, if not more than one month before the annual general meeting all the members of the company have agreed that it is not necessary for the company to appoint an auditor.

Exempt  
proprietary  
company  
need not  
appoint  
auditor in  
certain  
circumstances.

“(2.) The directors of an exempt proprietary company that is not an unlimited company are not required to comply with sub-section (1.) of the next succeeding section if all the members of the company have agreed, on a date not later than fourteen days after the incorporation of the company, that it is not necessary for the company to appoint an auditor.

“(3.) Where a company, by reason of the circumstances referred to in either of the last two preceding sub-sections, does not have an

auditor, the secretary of the company shall record a minute to that effect in the book containing the minutes of proceedings of general meetings of the company.

“ (4.) An exempt proprietary company that is not an unlimited company and that at an annual general meeting did not appoint an auditor shall at the next annual general meeting of the company appoint an auditor unless the conditions referred to in sub-section (1.) of this section are satisfied.

“ (5.) The directors of a company that, by reason of the circumstances referred to in sub-section (1.) or (2.) of this section, does not have an auditor shall lodge with the Registrar with each annual return under section one hundred and fifty-eight or one hundred and fifty-nine of this Ordinance a copy of all accounts and group accounts (if any), together with a copy of every document required by law to be attached or annexed to the accounts or group accounts, laid before the company at the annual general meeting held on the date to which the return is made up or, if an annual general meeting is not held on that date, the annual general meeting last preceding that date, and shall include in or attach to each annual return a certificate signed by not less than two directors of the company stating whether—

- (a) the company has, in respect of the financial year to which the return relates—
  - (i) kept such accounting records as correctly record and explain the transactions and financial position of the company;
  - (ii) kept its accounting records in such a manner as would enable true and fair accounts of the company to be prepared from time to time; and
  - (iii) kept its accounting records in such a manner as would enable the accounts of the company to be conveniently and properly audited in accordance with this Ordinance;
- (b) the accounts and group accounts (if any) have been properly prepared by a competent person; and
- (c) the accounts give a true and fair view of the profit or loss and state of affairs of the company as at the end of the financial year.

“ (6.) Where—

- (a) directors of a company state in a certificate in respect of a financial year of a company that—
  - (i) the company did not keep such accounting records as are required by this Ordinance to be kept;
  - (ii) the accounting records of the company were not kept in the manner required by this Ordinance;
  - (iii) the accounts of the company have not been properly prepared by a competent person; or

- (iv) the accounts of the company do not give a true and fair view of the profit or loss or state of affairs of the company; or
- (b) a director of a company has been convicted under sub-section (2.) of section three hundred and seventy-five of this Ordinance of an offence in relation to a certificate under sub-section (5.) of this section,

the directors of the company shall, within one month after the date of the annual return or the conviction, as the case requires, appoint, unless the company at a general meeting has appointed, a person or persons or a firm as auditor or auditors of the company.

“(7.) Within one month after a company that, by reason of the circumstances referred to in sub-section (1.) or (2.) of this section, does not have an auditor ceases to be an exempt proprietary company, the directors of the company shall appoint, unless the company at a general meeting has appointed, a person or persons or a firm as auditor or auditors of the company.

“(8.) A person or firm appointed as auditor of a company under either of the last two preceding sub-sections shall, subject to this Division, hold office until the next annual general meeting of the company and sub-section (1.) of this section shall not apply to or in relation to that company.

“166.—(1.) Within one month after the date on which a company is incorporated, the directors of the company shall appoint, unless the company at a general meeting has appointed, a person or persons, a firm or firms, or a person or persons and a firm or firms, as auditor or auditors of the company.

Appointment  
of auditors.

“(2.) A person or firm appointed as auditor of a company under the last preceding sub-section shall, subject to this Division, hold office until the first annual general meeting of the company.

“(3.) A company shall—

- (a) at its first annual general meeting appoint a person or persons or a firm as auditor or auditors of the company; and
- (b) at each subsequent annual general meeting, if there is a vacancy in the office of auditor of the company, appoint a person or persons or a firm to fill the vacancy.

**Penalty: One hundred dollars.**

“(4.) An auditor of a company appointed under the last preceding sub-section shall hold office until death or removal or resignation from office in accordance with section one hundred and sixty-six B of this Ordinance or until ceasing to be capable of acting as auditor by reason of sub-section (1.) or (2.) of section one hundred and sixty-five of this Ordinance.

“(5.) Within one month after a vacancy, other than a vacancy caused by the removal of an auditor from office, occurs in the office of auditor of the company, if there is no surviving or continuing

auditor of the company, the directors shall appoint, unless the company at a general meeting has appointed, a person or persons or a firm to fill the vacancy.

“(6.) While a vacancy in the office of auditor continues, the surviving or continuing auditor or auditors (if any) may act.

“(7.) A company or the directors of a company shall not appoint a person or firm as auditor of the company unless that person or firm has, before the appointment, consented by notice in writing given to the company or to the directors to act as auditor and has not withdrawn his or its consent by notice in writing given to the company or to the directors.

“(8.) A notice under the last preceding sub-section given by a firm shall be signed in the firm name and in his own name by a member of the firm who is a registered company auditor.

“(9.) If a company appoints a person or firm as auditor of a company in contravention of sub-section (7.) of this section, the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance.

“(10.) Where an auditor of a company is removed from office at a general meeting in accordance with section one hundred and sixty-six B of this Ordinance—

- (a) the company may at that meeting (without adjournment) if, not less than seven days before that meeting, notice of intention to nominate at that meeting as auditor a specified person or specified persons or specified firm has been given to each member of the company to whom notice of the meeting was sent, by a resolution passed by a majority of not less than three-fourths of such members of the company as, being entitled so to do, vote in person or, where proxies are allowed, by proxy, forthwith appoint as auditor a person or persons or a firm specified in the first-mentioned notice and nominated at the meeting; or
- (b) if such a resolution is not passed, the meeting may be adjourned to a date not earlier than twenty days and not later than thirty days after the day of the meeting and the company may, at the adjourned meeting, by ordinary resolution, appoint as auditor or auditors a person or persons or a firm, notice of whose nomination for appointment as auditor has been received by the company from a member of the company at least fourteen clear days before the date to which the meeting is adjourned.

“(11.) A company shall, forthwith after the removal of an auditor from office, give notice in writing to the Board of the removal.

“(12.) If after the removal from office of an auditor of a company the company fails to appoint another auditor under sub-section (10.) of this section, the company shall, within seven days after the failure, notify the Board accordingly whereupon the Board shall, unless there is another auditor of the company whom the Board believes to be able to carry out the responsibilities of auditor alone and who agrees to continue as auditor, appoint a person or persons or a firm as auditor or auditors of the company.

“(13.) Subject to the last preceding sub-section, if a company does not appoint an auditor when required by this Ordinance to do so, the Board may, on the application in writing of a member of the company, appoint a person or persons or a firm as auditor or auditors of the company.

“(14.) A person or firm appointed as auditor of a company under sub-section (5.), (10.), (12.) or (13.) of this section shall, subject to this Division, hold office until the next annual general meeting of the company.

“(15.) Notwithstanding sub-section (4.) of this section, an auditor of a company that becomes a subsidiary of another company shall, unless he sooner resigns or is sooner removed, retire at the annual general meeting of that subsidiary next held after it becomes such a subsidiary but, subject to this Division, shall be eligible for re-appointment.

“(16.) If a director of a company fails to take all reasonable steps to comply with or to secure compliance with sub-section (1.), (5.) or (7.) of this section, he is guilty of an offence against this Ordinance and liable on conviction to a penalty not exceeding One hundred dollars and, in the case of an offence against sub-section (1.) or (5.) of this section, to a default penalty not exceeding Ten dollars.

“166A.—(1.) Subject to this section, a company shall not appoint a person or firm as auditor of the company at its annual general meeting, not being a meeting at which an auditor is removed from office, unless notice in writing of his or its nomination as auditor was given to the company by a member of the company—

Nomination of auditors.

- (a) before the meeting was called; or
- (b) not less than twenty-one days before the meeting.

“(2.) If a company appoints a person or firm as auditor of the company in contravention of the last preceding sub-section, the company and every officer of the company who is in default shall be guilty of an offence against this Ordinance.

“(3.) Where notice of nomination of a person or firm for appointment as auditor of a company is received by the company, whether for appointment at an adjourned meeting referred to in sub-section (10.)

of section one hundred and sixty-six of this Ordinance or at an annual general meeting, the company shall—

- (a) not less than seven days before the meeting; or
- (b) at the time notice of the meeting is given,

send a copy of the notice of nomination to each person or firm nominated, to each auditor of the company and to each person entitled to receive notice of general meetings of the company.

Removal and  
resignation of  
auditors.

“ 166B.—(1.) An auditor of a company may be removed from office by resolution of the company at a general meeting of which special notice has been given, but not otherwise.

“ (2.) Where special notice of a resolution to remove an auditor is received by a company, it shall forthwith send a copy of the notice to the auditor and to the Board.

“ (3.) Within seven days after receiving a copy of the notice, the auditor may make representations in writing, not exceeding a reasonable length, to the company and request that, before the meeting at which the resolution is to be considered, a copy of the representations be sent by the company at its expense to every member of the company to whom notice of the meeting is sent.

“ (4.) Unless the Board on the application of the company otherwise orders, the company shall send a copy of the representations in accordance with the auditor's request and the auditor may, without prejudice to his right to be heard orally or, where a firm is the auditor, to have a member of the firm heard orally on its behalf, require that the representations be read out at the meeting.

“ (5.) An auditor of a company may, by notice in writing given to the company, resign as auditor of the company if—

- (a) he has, by notice in writing given to the Board, applied for consent to his resignation and, at or about the same time as he gave the notice to the Board, notified the company in writing of his application to the Board; and
- (b) he has received the consent of the Board.

“ (6.) The Board shall, as soon as practicable after receiving a notice from an auditor under the last preceding sub-section, notify the auditor and the company whether it consents to the resignation of the auditor.

“ (7.) A statement made by an auditor in an application to the Board under sub-section (5.) of this section or in answer to an inquiry by the Board relating to the reasons for the application—

- (a) is not admissible in evidence in any civil or criminal proceedings against the auditor; and
- (b) may not be made the ground of a prosecution, action or suit against the auditor,

and a certificate signed by the chairman of the Board that the statement was made in the application or in the answer to the inquiry by the Board shall be conclusive evidence that the statement was so made.

“(8.) A person aggrieved by the refusal of consent by the Board to the resignation of an auditor of a company may, within one month after the date of the refusal, appeal to the Court from the refusal and thereupon the Court may confirm or reverse the refusal and may make such further order in the matter as to it seems proper.

“(9.) Subject to any order of the Court under sub-section (8.), and to sub-section (10.), of this section, the resignation of an auditor takes effect—

- (a) on the date (if any) specified for the purpose in the notice of resignation;
- (b) on the date on which the Board gives its consent to the resignation; or
- (c) on the date (if any) fixed by the Board for the purpose,

whichever last occurs.

“(10.) The resignation of an auditor of an exempt proprietary company does not require the consent of the Board under sub-section (5.) of this section, and takes effect—

- (a) on the date (if any) specified for the purpose in the notice of resignation; or
- (b) on the date on which the notice is received by the company,

whichever last occurs.

“(11.) Where, on the retirement or withdrawal from a firm of a member, the firm will no longer be capable, by reason of the provisions of paragraph (d) of sub-section (2.) of section one hundred and sixty-five of this Ordinance, of acting as auditor of a company, the member so retiring or withdrawing shall, if not disqualified from acting as auditor of the company, be deemed to be the auditor of the company until he obtains the consent of the Board to his retirement or withdrawal.

“(12.) Within fourteen days after the receipt of a notice of resignation from an auditor of a company or, where an auditor of a company is removed from office, within fourteen days after the removal, the company shall lodge a notice of the resignation or removal in the prescribed form with the Registrar and, in the case of the resignation or removal from office of an auditor of a borrowing corporation, give a copy of the notice lodged with the Registrar to the trustee for the holders of debentures of the borrowing corporation.

Penalty: One hundred dollars.

Default penalty: Ten dollars.

“166c. The reasonable fees and expenses of an auditor of a company shall be payable by the company.

Fees and expenses of auditors.

“167.—(1.) An auditor of a company shall report to the members on the accounts required to be laid before the company in general meeting and on the company's accounting records and other records

Powers and duties of auditors as to reports on accounts.

relating to those accounts and, if it is a holding company for which group accounts are required, shall also report to the members on the group accounts.

- “(2.) An auditor shall, in a report under this section, state—
- (a) whether the accounts and, if the company is a holding company for which group accounts are required, the group accounts are in his opinion properly drawn up—
    - (i) so as to give a true and fair view of the matters required by section one hundred and sixty-two of this Ordinance, or, in the case of a prescribed corporation within the meaning of section one hundred and sixty-seven c of this Ordinance, by this Part, to be dealt with in the accounts and, if there are group accounts, in the group accounts; and
    - (ii) in accordance with the provisions of this Ordinance;
  - (b) whether the accounting records and other records and the registers required by this Ordinance to be kept by the company and, if it is a holding company, by the subsidiaries other than those of which he has not acted as auditor have been, in his opinion, properly kept in accordance with the provisions of this Ordinance or, in the case of a subsidiary incorporated in a State or in another Territory of the Commonwealth, in accordance with the provisions of the corresponding law of that State or Territory;
  - (c) in the case of group accounts—
    - (i) the names of the subsidiaries (if any) of which he has not acted as auditor;
    - (ii) whether he has examined the accounts and auditors' reports of all subsidiaries of which he has not acted as auditor, being accounts that are included, whether separately or consolidated with other accounts, in the group accounts;
    - (iii) whether he is satisfied that the accounts of the subsidiaries that are to be consolidated with other accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and whether he has received satisfactory information and explanations as required by him for that purpose; and
    - (iv) whether the auditor's report on the accounts of any subsidiary was made subject to any qualification, or included any comment made under the next succeeding sub-section, and, if so, particulars of the qualification or comment;
  - (d) whether there is any defect or irregularity in the accounts or group accounts and any matter not set out in the accounts or group accounts without regard to which a true and fair view of the matters dealt with by the accounts or group accounts would not be obtained; and



- (e) if he is not satisfied as to any matter referred to in paragraph (a), (b) or (c) of this sub-section, his reasons for not being so satisfied.

“(3.) It is the duty of an auditor of a company to form an opinion as to each of the following matters:—

- (a) whether he has obtained all the information and explanations that he required;
- (b) whether proper accounting records and other records, including registers, have been kept by the company as required by this Ordinance;
- (c) whether the returns received from branch offices of the company are adequate;
- (d) whether the procedures and methods used by a holding company or a subsidiary in arriving at the amounts taken into any consolidated accounts were appropriate to the circumstances of the consolidation; and
- (e) where group accounts are prepared otherwise than as one set of consolidated accounts for the group—whether he agrees with the reasons for preparing them in the form in which they are prepared as given by the directors in the accounts,

and he shall state in his report particulars of any deficiency, failure or short-coming in respect of any matter referred to in this sub-section.

“(4.) An auditor of a company has a right of access at all reasonable times to the accounting records and other records, including registers, of the company and is entitled to require from any officer of the company such information and explanations as he desires for the purposes of audit.

“(5.) An auditor of a holding company for which group accounts are required has a right of access at all reasonable times to the accounting records and other records, including registers, of a subsidiary and is entitled to require from any officer or auditor of a subsidiary, at the expense of the company, such information and explanations in relation to the affairs of the subsidiary as he requires for the purpose of reporting on the group accounts.

“(6.) The auditor’s report shall be attached to or endorsed on the accounts or group accounts and shall, if a member so requires, be read before the company in general meeting, and is open to inspection by a member at any reasonable time.

“(7.) An auditor of a company or his agent authorized by him in writing for the purpose is entitled to attend a general meeting of the company and to receive all notices of, and other communications relating to, a general meeting that a member is entitled to receive, and to be heard at a general meeting that he attends on any part of the business of the meeting that concerns the auditor in his capacity as auditor.

“(8.) If an auditor, in the course of the performance of his duties as auditor of a company, is satisfied that—

- (a) there has been a breach or non-observance of any of the provisions of this Ordinance; and
- (b) the circumstances are such that, in his opinion, the matter has not been or will not be adequately dealt with by comment in his report on the accounts or group accounts or by bringing the matter to the notice of the directors of the company or, if the company is a subsidiary, of the directors of its holding company,

he shall forthwith report the matter in writing to the Registrar.

“(9.) An officer or auditor of a corporation who refuses or fails without lawful excuse to allow an auditor of the corporation or of its holding company access, in accordance with this section, to any accounting records and other records, including registers, of the corporation in his custody or control, or to give any information or explanation as and when required under this section, or otherwise hinders, obstructs or delays an auditor in the performance of his duties or the exercise of his powers, is guilty of an offence against this Ordinance.

Penalty: One hundred dollars.

Default penalty: Ten dollars.

Special provisions relating to borrowing and guarantor corporations.

“167A.—(1.) The auditor of a borrowing corporation shall, within seven days after furnishing the corporation or its members with a report, certificate or other document that he is required by this Ordinance or by the debentures or trust deed to give to the corporation or its members, send to every trustee for the holders of debentures of the borrowing corporation a copy of the report, certificate or document, together with a copy of each document accompanying the report, certificate or document so furnished.

“(2.) Where, in the performance of his duties as auditor of a borrowing corporation or a guarantor corporation, the auditor becomes aware of a matter that, in his opinion, is or is likely to be prejudicial to the interests of the holders of debentures of the borrowing corporation and is relevant to the exercise and performance of the powers and duties imposed by this Ordinance or by a trust deed upon a trustee for the holders of the debentures, the auditor shall, within seven days after becoming aware of the matter, send a report in writing on the matter to the corporation of which he is auditor and a copy of the report to the trustee.

Penalty: One hundred dollars.

Default penalty: Ten dollars.

Auditors and other persons to enjoy qualified privilege in certain circumstances.

“167B.—(1.) An auditor shall not, in the absence of malice on his part, be liable to an action for defamation at the suit of a person in respect of a statement that he makes in the course of his duties as auditor, whether the statement is made orally or in writing.

“(2.) A person shall not, in the absence of malice on his part, be liable to an action for defamation at the suit of a person in respect of

the publishing of a document prepared by an auditor in the course of his duties and required by or under this Ordinance to be lodged with the Registrar or required by or under a law in force in a State or in another Territory of the Commonwealth to be lodged with a person who under that law exercises functions similar to those exercised by the Registrar under this Part, whether or not the document has been so lodged.

“(3.) This section does not limit or affect any other right, privilege or immunity that an auditor or other person has as defendant in an action for defamation.

“*Division 4.—Special Provisions Relating to Banking and Life Insurance Corporations.*

“167C.—(1.) In this section, ‘prescribed corporation’ means—

(a) a banking corporation; or

(b) a corporation that is registered under a law of the Commonwealth relating to life insurance.

Banking and  
life insurance  
corporations.

“(2.) Subject to this section, this Part applies to and in relation to a prescribed corporation that is a company or is a corporation that is a subsidiary of the holding company of a group of companies.

“(3.) Where, under a law of the Commonwealth relating to banking, a prescribed corporation is required to prepare accounts annually, accounts of the corporation that comply with the provisions of that law shall be deemed to comply with the provisions of this Ordinance relating to accounts.

“(4.) Sub-section (1.) of section one hundred and sixty-two A of this Ordinance does not apply to or in relation to a prescribed corporation or its directors.

“(5.) Where, under a law of the Commonwealth relating to life insurance, a prescribed corporation is required to prepare accounts annually, the prescribed corporation and the directors and auditors of the corporation shall not be deemed to have failed to comply with such of the provisions of this Part as are applicable to it or them by reason only that no accounts are laid before the annual general meeting of the corporation other than accounts that comply with the provisions of that law.

“(6.) Where a company is a holding company of another corporation and is, under section one hundred and sixty-two of this Ordinance, required to cause group accounts to be made out, the company and the directors and auditors of the company—

(a) shall not be deemed to have failed to comply with the provisions of this Ordinance relating to group accounts by reason only that the group accounts do not contain, whether separately or consolidated with other accounts, accounts of a prescribed corporation that is a corporation in the group of companies, other than accounts that comply with a law of the Commonwealth relating to the preparation of annual accounts of the prescribed corporation;

- (b) shall not be deemed to have failed to comply with the provisions of sub-section (2.) of section one hundred and sixty-two A of this Ordinance by reason only that the directors' report referred to in that section relates only to corporations in the group of companies other than prescribed corporations; and
- (c) shall not be deemed to have failed to comply with the provisions of sub-section (8.) of section one hundred and sixty-two, or of section one hundred and sixty-seven, of this Ordinance by reason only that those provisions are not complied with in relation to prescribed corporations in the group of companies that are registered under a law of the Commonwealth relating to life insurance.

“(7.) A prescribed corporation shall not be deemed to have failed to comply with section one hundred and sixty-four of this Ordinance in relation to an annual general meeting by reason only that it does not send to a person entitled to receive notice of general meetings of the company accounts or documents referred to in that section other than accounts and documents so referred to that, in compliance with the provisions of this Part, whether by the operation of this section or otherwise, are to be laid before that annual general meeting.

“(8.) Where a prescribed corporation registered under a law of the Commonwealth relating to life insurance does not lay before its annual general meeting accounts and an auditor's report that comply with the provisions of that law, it shall lodge a copy of those accounts and a copy of that report with the Registrar on or before a day that is not later than nine months after the end of the period to which they relate.”.

Heading.

46. The heading immediately preceding section 168 of the Principal Ordinance is repealed and the following headings are inserted in its stead:—

“PART VIA.—SPECIAL INVESTIGATIONS.

*Division 1.—Inspection.”.*

Heading.

47. The heading immediately preceding section 172 of the Principal Ordinance is repealed and the following heading inserted in its stead:—

*“Division 2.—Special Investigations.”.*

Heading.

48. The heading immediately preceding section 180A of the Principal Ordinance is repealed and the following heading inserted in its stead:—

“PART VIB.—TAKE-OVERS.”.

Application of Part.

49. Section 180B of the Principal Ordinance is amended by omitting sub-sections (3.) and (4.).

Special provisions as to statements submitted to receiver.

50. Section 194 of the Principal Ordinance is amended by omitting from sub-section (2.) the words “The statement shall be submitted” and inserting in their stead the words “Except to the extent that the Court otherwise directs, the statement shall be submitted”.

**51. Section 196 of the Principal Ordinance is amended—**

- (a) by omitting from sub-section (1.) the words “debts which in a winding up are preferential debts and are due by way of wages, salary, annual leave or long service leave, and any amount which in a winding up is payable in pursuance of” and inserting in their stead the words “any debt or amount that in a winding up is payable in priority to other unsecured debts pursuant to paragraph (b) or paragraph (d) of sub-section (1.),”;
- (b) by omitting sub-section (2.) and inserting in its stead the following sub-section:—

“ (2.) For the purposes of this section—

- (a) ‘floating charge’ includes a floating charge within the meaning of section two hundred and ninety-two of this Ordinance; and
- (b) the periods of time mentioned in that section shall be reckoned from the date of the appointment of the receiver or of possession being taken, as the case may be.”; and

- (c) by adding at the end thereof the following sub-section:—

“ (4.) This section binds the Crown.”.

**52. Section 208 of the Principal Ordinance is amended by omitting from paragraph (a) of sub-section (5.) the words “Division 2 of Part VI.” and inserting in their stead the words “Division 3 of Part VI.”.**

Application and disposal of assets during official management.

**53. Section 214 of the Principal Ordinance is amended by omitting sub-section (3.) and inserting in its stead the following sub-sections:—**

“ (3.) A person who is appointed deputy official manager of a company shall, within fourteen days of his appointment, lodge with the Registrar a notice in the prescribed form of his appointment as deputy official manager and of the situation of his office and, in the event of any change in the situation of his office, he shall, with fourteen days of the change, lodge with the Registrar notice of the change in the prescribed form.

Functions of committee of management and appointment of deputy official manager.

Penalty: One hundred dollars. Default penalty.

“ (3A.) A person who ceases to be deputy official manager shall, within fourteen days of his so ceasing to be deputy official manager, lodge with the Registrar notice in the prescribed form of his ceasing to be deputy official manager.

Penalty: One hundred dollars. Default penalty.”.

**54. Section 218 of the Principal Ordinance is amended—**

- (a) by omitting from paragraph (a) of sub-section (1.) the words “a past” and inserting in their stead the words “subject to the next succeeding paragraph, a past”;

Liability as contributories of present and past members.

(b) by inserting after paragraph (a) of that sub-section the following paragraph:—

“(aa) where the company is a limited company and became a limited company by virtue of a change of status in pursuance of paragraph (a) of sub-section (1.) of section twenty-five of this Ordinance, a past member of the company who was a member at the time of the change of status shall, if the winding up commences within the period of three years after the change of status—

- (i) be liable, notwithstanding the last preceding paragraph, to contribute in respect of debts and liabilities contracted before the change of status; and
- (ii) if no person who was a member of the company at the time of the change of status is a member at the commencement of the winding up, be liable so to contribute, notwithstanding paragraphs (a) and (c) of this sub-section, and whether or not the existing members have satisfied the contributions required to be made by them in pursuance of this Ordinance;” and

(c) by inserting after paragraph (e) of that sub-section the following paragraphs:—

“(ea) notwithstanding paragraphs (d) and (e) of this sub-section, where the company is a limited company and became a limited company by virtue of a change of status in pursuance of paragraph (a) of sub-section (1.) of section twenty-five of this Ordinance, the amount that a member of the company at the time of the change of status, or a person who at that time was a past member of the company, is liable to contribute in respect of the debts and liabilities of the company contracted before that time is unlimited;

(eb) where a company changes its status in pursuance of paragraph (d) of sub-section (1.) of section twenty-five of this Ordinance, a person who, at the time the company applied to the Registrar for the change of status, was a past member of the company and did not thereafter again become a member of the company shall not, if the company is wound up, be liable to contribute to the assets of the company more than he would have been liable to contribute if the company had not changed its status;”.

**55.** Section 225 of the Principal Ordinance is amended by inserting after sub-section (3.) the following sub-section:—

Powers of Court on hearing petition.

“(3A.) The Court shall not refuse to make an order for winding up on the petition of a person under paragraph (c) of sub-section (1.) of section two hundred and twenty-one of this Ordinance on the ground that, if the order were made, no assets of the company would be available for distribution among the contributories.”.

**56.** Section 227 of the Principal Ordinance is amended by adding at the end thereof the following sub-section:—

Avoidance of disposition of property, &c.

“(2.) Notwithstanding the last preceding sub-section, the Court may, where a petition for winding up has been presented but a winding up order has not been made, by order—

- (a) validate the making, after the presentation of the petition, of a disposition of property of the company; or
- (b) permit the business of the company or a portion of the business of the company to be carried on, and such acts as are incidental to the carrying on of the business or portion of the business to be done, during the time before a winding up order (if any) is made,

on such terms as it thinks fit.”.

**57.** Section 231 of the Principal Ordinance is repealed and the following sections are inserted in its stead:—

“231. For the purpose of conducting proceedings, and assisting the Court, in winding up companies, the Attorney-General may, by instrument in writing, from time to time appoint as many registered liquidators as he thinks fit to be official liquidators, and may require each of them to give to the Commonwealth such security for the due fulfilment of his duties as an official liquidator as is prescribed.

Official liquidators.

“231A.—(1.) On an order being made for the winding up of a company, the Court may appoint an official liquidator to be liquidator of the company.

Appointment of official liquidator.

“(2.) The Court may appoint an official liquidator provisionally at any time after the presentation of a winding up petition and before the making of a winding up order or, where there is an appeal against a winding up order, before a decision in the appeal is made and the provisional liquidator shall have and may exercise such functions and powers as may be prescribed by the rules of Court or as the Court may specify in the order appointing him.”.

**58.** Section 233 of the Principal Ordinance is amended—

- (a) by omitting from sub-section (3.) the word “seven” and inserting in its stead the word “fourteen”; and
- (b) by omitting from paragraph (a) of that sub-section the word “Registrar;” and inserting in its stead the words “Registrar; and”.

Custody and vesting of company's property.

Statement of company's affairs to be submitted to liquidator.

**59.** Section 234 of the Principal Ordinance is amended by omitting sub-sections (2.) and (3.) and inserting in their stead the following sub-sections:—

“(2.) Except to the extent that the Court otherwise directs, the statement shall be submitted by, and verified by statutory declaration of, such one or more persons included in one of the following classes as the liquidator, by notice in writing served personally or by post addressed to the last-known address of the person, requires—

- (a) persons who were, at the date of the winding up order, the directors and secretary of the company;
- (b) persons who are or who have been officers of the company;
- (c) where the company was formed within one year before the date of the winding up order—persons who have taken part in the formation of the company;
- (d) persons who are in the employment of the company, or have been in the employment of the company within that year, and are in the opinion of the liquidator capable of giving the information required;
- (e) persons who are or have been within that year officers of or in the employment of a corporation that is, or within that year was, an officer of the company to which the statement relates.

“(3.) The statement shall be submitted within fourteen days of the date of service of the notice referred to in the last preceding sub-section or within such further time as the liquidator or the Court, on an application made either before or after the expiration of the period of fourteen days, allows.

“(3A.) The liquidator shall, within seven days of the receipt of the statement, cause a certified copy of the statement to be filed with the Court and lodged with the Registrar.”.

Duty of liquidator to call creditors' meeting in case of insolvency.

**60.** Section 259 of the Principal Ordinance is amended—

- (a) by omitting from sub-section (4.) the words “The person so appointed” and inserting in their stead the words “The liquidator or, if another person is appointed by the creditors to be liquidator, the person so appointed”; and
- (b) by inserting in that sub-section, before the words “that person”, the words “the liquidator or”.

Powers and duties of liquidator.

**61.** Section 269 of the Principal Ordinance is amended—

- (a) by omitting from paragraph (d) of sub-section (1.) the word “or”; and
- (b) by omitting paragraph (e) of that sub-section and inserting in its stead the following paragraphs:—
  - “(e) exercise the power of the Court of fixing a time within which debts and claims must be proved; or



- (f) summon a general meeting of the company for the purpose of obtaining the sanction of the company by special resolution in respect of any matter or for any other purpose he thinks fit.”.

**62.** After section 277 of the Principal Ordinance the following section is inserted:—

“ 277A.—(1.) Subject to this section, a person shall not, except with the leave of the Court, consent to be appointed, and shall not act, as liquidator of a company—

*Disqualification of liquidators.*

- (a) if he is not a registered liquidator or a corporation authorized by an Ordinance to act as a liquidator;
- (b) if he is indebted to the company or to a related corporation in an amount exceeding One thousand dollars; or
- (c) if he is—
  - (i) an officer of the company;
  - (ii) a partner, employer or employee of an officer of the company; or
  - (iii) a partner or employee of an employee of an officer of the company.

Penalty: Two hundred dollars. Default penalty.

“ (2.) Paragraph (a) of the last preceding sub-section does not apply to a members’ voluntary winding up of an exempt proprietary company and paragraph (c) of that sub-section does not apply—

- (a) to a members’ voluntary winding up; or
- (b) to a creditors’ voluntary winding up if, by a resolution carried by a majority of the creditors in number and value present in person or by proxy and voting at a meeting of which seven days’ notice has been given to every creditor stating the object of the meeting, it is determined that that paragraph shall not so apply.

“ (3.) For the purposes of sub-section (1.) of this section, a person shall be deemed to be an officer of a company if he is an officer of a related corporation or has, at any time within the preceding period of twenty-four months, been an officer or promoter of the company or of a related corporation.

“ (4.) A person shall not consent to be appointed, and shall not act, as liquidator of a company if he is an undischarged bankrupt or a person who has made an arrangement or composition with his creditors generally and has not been released from his indebtedness.

Penalty: Two hundred dollars. Default penalty.

“ (5.) A person shall not be appointed as liquidator of a company unless he has, prior to his appointment, consented in writing to act as liquidator of the company.”.

**63.** Section 291 of the Principal Ordinance is amended by adding at the end thereof the following sub-section:—

*Proof of debts.*

“ (3.) Where the winding up of an insolvent company commences after the commencement of this sub-section, the amount of a debt of

the company, including a debt that is for or includes interest, is to be computed for the purposes of the winding up—

- (a) where the winding up is a winding up under an order of the Court of a company that has not previously commenced to be wound up voluntarily—as at the date of the order for winding up; or
- (b) in any other case—as at the date of the commencement of the winding up.”.

**Priorities.**

**64. Section 292 of the Principal Ordinance is amended—**

- (a) by omitting from paragraph (aa) of sub-section (1.) the words “ Division 2 of Part VI. ” and inserting in their stead the words “ Division 3 of Part VI. ”;
- (b) by omitting from paragraph (b) of that sub-section the words “ Six hundred dollars ” and inserting in their stead the words “ One thousand five hundred dollars ”;
- (c) by omitting from paragraph (b) of that sub-section the words “ within four months ”;
- (d) by omitting from paragraph (c) of that sub-section the words “ the commencement of the winding up ” and inserting in their stead the words “ the relevant date ”;
- (e) by omitting paragraph (d) of that sub-section and inserting in its stead the following paragraph:—
  - “ (d) sixthly, all amounts due on or before the relevant date to or in respect of an employee of the company, whether remunerated by way of salary, wages, commission or otherwise, by virtue of—
    - (i) a contract of employment; or
    - (ii) a law of the Commonwealth or of a State or of another Territory of the Commonwealth,
 relating to long service leave, extended leave, annual leave, recreation leave or sick leave; and ”;
- (f) by omitting from paragraph (e) of that sub-section the words “ date of the commencement of the winding up ” (wherever occurring) and inserting in their stead the words “ relevant date ”;
- (g) by omitting from sub-section (2.) the words “ The debts in each class specified in the last preceding sub-section ” and inserting in their stead the words “ After provision is made for the costs and expenses referred to in paragraph (a) of sub-section (1.) of this section, the debts of a class referred to in the remaining paragraphs of that sub-section ”;

- (h) by omitting from sub-section (3.) the words "to an employee of" and inserting in their stead the word "by";
- (i) by omitting from that sub-section the words "wages, salary, annual leave or long service leave out of money advanced by a person" and inserting in their stead the words—
- "wages or salary or by virtue of—
- (a) a contract of employment; or
- (b) a law of the Commonwealth or of a State or of another Territory of the Commonwealth, relating to long service leave, extended leave, annual leave, recreation leave or sick leave and the payment was made out of money advanced by a person";
- (j) by omitting from that sub-section the words "the employee" (wherever occurring) and inserting in their stead the words "the person who received the payment";
- (k) by omitting from sub-section (5.) the words "company is under" and inserting in their stead the words "company is, under"; and
- (l) by adding at the end thereof the following sub-section:—

"(10.) In this section—

‘floating charge’ includes a charge conferring a floating security at the time of its creation that has become a fixed or specific charge;

‘relevant date’ means—

- (a) in the case of a company ordered to be wound up by the Court that has not previously commenced to be wound up voluntarily—the date of the winding up order; and
- (b) in any other case—the date of the commencement of the winding up.”.

**65.** Section 295 of the Principal Ordinance is amended by adding at the end of sub-section (4.) the words "in the company".

Liquidator's right to recover in respect of certain sales to or by company.

**66.** Section 306 of the Principal Ordinance is amended by omitting sub-sections (6.), (7.) and (8.) and inserting in their stead the following sub-sections:—

Prosecution of delinquent officers and members of company.

"(6.) If, where any matter is reported or referred to the Attorney-General or Registrar under this section, he is of the opinion that an offence may have been committed and the case is one in which a prosecution ought to be instituted, the Attorney-General or Registrar may institute a prosecution accordingly.

“(6A.) Where the Attorney-General or Registrar has formed the opinion referred to in the last preceding sub-section he may, by notice in writing given before or after the institution of a prosecution in accordance with that sub-section, require an officer of the company to which the matter reported or referred to the Attorney-General or Registrar relates, not being an officer who is or, in the opinion of the Attorney-General or Registrar, is likely to be a defendant in the proceedings, to give all assistance in connexion with the prosecution or proposed prosecution that he is reasonably able to give.

“(7.) For the purposes of the last preceding sub-section, ‘officer’, in relation to a company, means an officer as defined in sub-section (1.) of section five of this Ordinance and includes—

- (a) a person who has at any time been an officer as so defined; and
- (b) a person who acts, or has at any time acted, as banker, solicitor, auditor or in any other capacity for the company.

“(8.) Where a person to whom a notice has been given under sub-section (6A.) of this section fails to comply with a requirement specified in the notice, the Court may, on the application of the Attorney-General or Registrar, direct that person to comply with the requirement.

“(8A.) Where an application is made under the last preceding sub-section with respect to a liquidator, the Court may, unless it appears that the failure to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the costs of the application shall be borne by the liquidator personally.”

Distribution of surplus where cessation of business within twelve months.

**67.** Section 331 of the Principal Ordinance is amended by adding at the end thereof the following sub-section:—

“(2.) In the last preceding sub-section, ‘no-liability company’ includes a company that, having been incorporated as a no-liability company, changes its status under section twenty-five of this Ordinance.”

As to rights attaching to preference shares issued to promoters.

**68.** Section 332 of the Principal Ordinance is amended by adding at the end thereof the following sub-section:—

“(2.) In the last preceding sub-section, ‘no-liability company’ includes a company that, having been incorporated as a no-liability company, changes its status under section twenty-five of this Ordinance.”

Balance-sheets and accounts.

**69.** Section 341 of the Principal Ordinance is amended by omitting from paragraph (a) of sub-section (1.) the words “paragraph (h) of clause 2” and inserting in their stead the words “paragraphs (d), (e) and (f) of sub-clause (4.) of clause 5”.

70. Section 348 of the Principal Ordinance is amended by omitting paragraph (a) of sub-section (5.) and inserting in its stead the following paragraph:—

Balance-sheets and annual returns.

“(a) which is an unlimited private company under the law of the United Kingdom relating to companies and is exempt under that law from lodging accounts with the Registrar of Companies holding office under that law;”.

71. Section 349 of the Principal Ordinance is amended by omitting the words and figures “item 16 or 17” and inserting in their stead the words and figures “item 17 or 18”.

Fees payable by foreign companies in certain cases.

72. Section 362 of the Principal Ordinance, and the headings immediately preceding that section, are repealed and the following headings and section inserted in their stead:—

“PART XII.—GENERAL.

“Division 1.—Proceedings.

“362.—(1.) A document may be served on a company by leaving it at or sending it by post to the registered office of the company.

Service of documents on company.

“(2.) The situation of the registered office of a company shall be deemed to be the address notified under sub-section (1.) of section one hundred and twelve of this Ordinance or, where notice of change of address has been given under sub-section (1A.) of that section, the address specified in that notice from the date specified in that notice as the date on which the change of address occurs.

“(3.) Where a liquidator of a company has been appointed, a document may be served on the company by leaving it at or sending it by post to the last address of the office of the liquidator notice of which has been lodged with the Registrar.”.

73. Section 364 of the Principal Ordinance is repealed and the following section inserted in its stead:—

“364.—(1.) Where a person has been shown in the register of members of a company as a member of the company for a period of not less than ten years and the company has, for a period of not less than ten years—

Disposal of shares of shareholder whose whereabouts unknown.

(a) had reasonable grounds for believing that that person had not, during that last-mentioned period, resided at the address shown in the register as his address; and

(b) had, on each occasion during that last-mentioned period when, whether or not in accordance with a provision of this Ordinance, it sought to communicate with that person, been unable after the exercise of reasonable diligence so to do,

the company may cause an advertisement to be published in a daily newspaper circulating in the place shown in the register of members as

the address of the shareholder stating that the company intends, after the expiration of one month from the date of the advertisement, to apply to the Treasurer for permission to transfer to the Treasurer the shares held by the shareholder in the company and any rights to subscribe for shares held in right of those shares.

“(2.) If, after the expiration of one month from the date of the advertisement, the whereabouts of the shareholder remains unknown, the company may apply to the Treasurer for permission to transfer to the Treasurer the shares held by the shareholder in the company and any rights to subscribe for shares held in right of those shares.

“(3.) The application shall be accompanied by a statutory declaration by a director, secretary or manager of the company in the prescribed form and a copy of the advertisement referred to in sub-section (1.) of this section.

“(4.) Where the Treasurer grants permission for the shares and rights (if any) to be transferred, the company may transfer the shares and rights (if any) to the Treasurer and for that purpose may execute for and on behalf of the shareholder a transfer of the shares and rights (if any) to the Treasurer.

“(5.) The Treasurer shall sell or dispose of the shares or rights transferred to him under the last preceding sub-section, or any shares or other property received by him in exchange for the shares or rights so transferred, in such manner and at such time as he thinks fit and shall deal with the proceeds of the sale as if they were moneys paid to him under the provisions of the *Companies (Unclaimed Assets and Moneys) Ordinance 1950-1966*.

“(6.) The Treasurer shall not be liable for any loss or damage suffered by a person arising out of the transfer, sale or disposal of any shares, rights or other property under this section or a corresponding previous law of the Territory.

“(7.) The Treasurer shall not be subject to an obligation—

(a) to pay a call;

(b) to make a contribution to the debts and liabilities of the company; or

(c) to discharge any other liability,

in respect of shares transferred to him under this section, whether the obligation arises before or after the date of the transfer, and shall not be liable to be sued for calls, contribution or other liability, but this sub-section does not affect the right of a company to forfeit a share upon which a call or contribution remains unpaid or a liability undischarged.

“(8.) A reference in this section to a period of not less than ten years is a reference to a period that commenced before or after the commencement of this sub-section.”

74. Section 374 of the Principal Ordinance is amended by omitting paragraph (a) of sub-section (4.) and inserting in its stead the following paragraph:—

Restriction on offering shares, debentures, &c., for subscription or purchase.

“(a) where the shares to which the offer relates are shares of a class that are quoted on a prescribed Stock Exchange in a State or Territory of the Commonwealth and the offer so states, specifying the Stock Exchange;”.

75. Section 375 of the Principal Ordinance is amended by omitting sub-section (2.) and inserting in its stead the following sub-sections:—

False and misleading statements.

“(2.) A person who, in a return, report or certificate or in accounts or in any other document required by or for the purposes of this Ordinance, wilfully makes or authorizes the making of a statement that is false or misleading in a material particular knowing it to be false or misleading, or wilfully omits or authorizes the omission of any matter or thing without which the document is misleading in a material respect, is guilty of an offence against this Ordinance.

Penalty: On conviction upon indictment, Five thousand dollars or imprisonment for two years, or both; on summary conviction, One thousand dollars or imprisonment for six months, or both.

“(3.) For the purposes of the last preceding sub-section, where a person at a meeting votes in favour of the making of a statement referred to in that sub-section he shall be deemed to have authorized the making of the statement.”.

76. After section 375 of the Principal Ordinance the following section is inserted:—

“375A. An officer of a corporation who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorizes or permits the making or furnishing of, a false or misleading statement or report to—

False reports.

- (a) a director, auditor, member, debenture holder or trustee for debenture holders of the corporation;
- (b) in the case of a corporation that is a subsidiary, an auditor of the holding company; or
- (c) a prescribed Stock Exchange in Australia or elsewhere or an officer of a prescribed Stock Exchange,

relating to the affairs of the corporation is guilty of an offence against this Ordinance.

Penalty: On conviction upon indictment, Five thousand dollars or imprisonment for two years, or both; on summary conviction, One thousand dollars or imprisonment for six months, or both.”.

77. After section 378 of the Principal Ordinance the following section is inserted:—

“378A.—(1.) If, in the Territory, a person does an act, or omits to do an act, and that person would, if he had done that act, or had omitted to do that act, in a State or in another Territory of the Commonwealth, have been guilty of an offence against the law of that

Reciprocity in relation to offences.

State or Territory that corresponds to this Ordinance, that person is guilty of an offence against this Ordinance punishable as the first-mentioned offence is punishable.

“(2.) Where an act or omission constitutes an offence both under this Ordinance and under the law of a State or of another Territory of the Commonwealth and the offender has been punished for the offence under that law, he is not liable to be punished in respect of the offence under this Ordinance.”

78. Sections 379 and 380 of the Principal Ordinance are repealed and the following sections inserted in their stead:—

General  
penalty  
provisions.

“379.—(1.) A person who—

- (a) does an act or thing that he is forbidden to do by or under a provision of this Ordinance;
- (b) does not do an act or thing that he is required or directed to do by or under a provision of this Ordinance; or
- (c) otherwise contravenes or fails to comply with a provision of this Ordinance,

is, unless that provision otherwise provides that he is guilty of an offence against this Ordinance, guilty of an offence against this Ordinance by virtue of this sub-section.

“(2.) A person who is guilty of an offence against this Ordinance, whether by virtue of the last preceding sub-section or otherwise, is punishable, on conviction, by a penalty not exceeding the penalty applicable to the offence.

“(3.) Where—

- (a) a section that does not consist of two or more sub-sections provides that a person is guilty of an offence against this Ordinance; and
- (b) a penalty, pecuniary or otherwise, is set out at the foot of the section,

the penalty applicable to the offence is the penalty so set out.

“(4.) Where—

- (a) a sub-section of a section that consists of two or more sub-sections provides that a person is guilty of an offence against this Ordinance; and
- (b) a penalty, pecuniary or otherwise, is set out at the foot of the section and no other penalty is set out in the section,

the penalty applicable to the offence is the penalty set out at the foot of the section.

“(5.) Where—

- (a) each of two or more sub-sections of a section of this Ordinance provide that a person is guilty of an offence against this Ordinance; and



- (b) a penalty, pecuniary or otherwise, is set out at the foot of each of those sub-sections,

the penalty applicable in relation to the offence created by a sub-section is the penalty set out at the foot of that sub-section.

“ (6.) Except as provided by the last four preceding sub-sections, the penalty applicable in relation to an offence against this Ordinance is a fine of One hundred dollars.

“ (7.) For the purposes of this section, a penalty shall be deemed to be set out at the foot of a section or sub-section notwithstanding that the expression ‘ Default penalty ’, either with or without words specifying the amount of the default penalty, appear after the penalty.

“ (8.) For the purposes of a provision of this Ordinance that provides that an officer of a company or corporation who is in default is guilty of an offence against this Ordinance or is liable to a penalty or punishment, the phrase ‘ officer who is in default ’ or any like phrase includes an officer of the company or corporation who knowingly and wilfully authorizes or permits the commission of the offence.

“ 380.—(1.) Where the expression ‘ Default penalty ’ appears, either with or without words specifying the amount of the default penalty, in or at the foot of a section, or sub-section of a section, of this Ordinance, being a section or sub-section that provides that a person is guilty of an offence against this Ordinance, a person who has been convicted of that offence is guilty of a further offence against this Ordinance if the offence continues after he has been so convicted and is punishable, upon conviction for the further offence, by a penalty not exceeding—

Default  
penalty.

- (a) in a case where the expression ‘ Default penalty ’ appears without words specifying the amount of the default penalty—an amount of Twenty dollars for each day during which the offence continues; or
- (b) in a case where the expression ‘ Default penalty ’ appears with words specifying the amount of the default penalty—the amount of the default penalty so specified for each day during which the offence continues.

“ (2.) Where an offence is committed by a person by reason of his failure to comply with a provision of this Ordinance by or under which he is required to do anything within a particular period, that person commits the further offence referred to in the last preceding sub-section while the failure to do that thing continues notwithstanding that that period has expired.”

79. The Second Schedule to the Principal Ordinance is amended as set out in the First Schedule to this Ordinance.

Second  
Schedule.

80.—(1.) Part I. of the Eighth Schedule to the Principal Ordinance is amended—

Eighth  
Schedule.

- (a) by inserting after paragraph 2 the following paragraph:—
- “ 2A. A list of the business names under which the company carries on business.”;

(b) by omitting from paragraph 4 the words “in respect of all charges which are required to be registered with the Registrar” and inserting in their stead the words “secured on the property (whether real or personal) or undertaking of the company”; and

(c) by adding at the end thereof the following paragraph:—

“ 11. A statement whether the company has complied with the requirements of the Ordinance relating to the laying of accounts before the company at its annual general meeting held on the date to which the return is made up or, if an annual general meeting is not held on that date, the annual general meeting last preceding that date.”.

(2.) The Eighth Schedule to the Principal Ordinance is amended by omitting Part II. and inserting in its stead the Part set out in the Second Schedule to this Ordinance.

Ninth  
Schedule.

81. The Ninth Schedule to the Principal Ordinance is repealed and the Schedule set out in the Third Schedule to this Ordinance inserted in its stead.

Statute law  
revision.

82. The Principal Ordinance is amended as set out in the Fourth Schedule to this Ordinance.

Transitional  
provisions.

83.—(1.) A person who is the sole director of a company that, before the date of commencement of this Ordinance, was not required to have more than one director may, until the company has two directors or until the expiration of six months after that date, whichever first occurs, exercise a duty or perform a function required under the Principal Ordinance as amended by this Ordinance to be exercised or performed by directors notwithstanding that the Principal Ordinance as so amended requires that duty or function to be exercised or performed by two or more directors.

(2.) Notwithstanding sub-section (4.) of section 114 of the Principal Ordinance as amended by this Ordinance, where a proprietary company does not, during the period of six months after the commencement of this Ordinance, have at least two directors, neither the company nor its officers shall, during that period, be guilty of an offence against sub-section (1.) of that section.

(3.) Nothing in section 126 or 127 of the Principal Ordinance as amended by this Ordinance requires a company to enter in its register, or requires a director to give notice to the company of—

(a) matters that are shown in the register kept by the company in accordance with section 126 of the Principal Ordinance as in force immediately before the commencement of this Ordinance; or

(b) matters referred to in sub-section (5.) of section 126 of the Principal Ordinance as amended by this Ordinance that, under sub-section (2.) of section 126 of the Principal Ordinance as in force immediately before the commencement of this Ordinance, were not required to be shown in the register.

(4.) Where a person was, immediately before the commencement of this Ordinance, acting as liquidator of a company, sub-section (4.) of section 277A of the Principal Ordinance as amended by this Ordinance does not apply to that person in relation to his acting as liquidator of that company.

(5.) Notwithstanding anything in section 277A of the Principal Ordinance as amended by this Ordinance, a person acting as liquidator of a company immediately before the date of commencement of this Ordinance may continue to act as liquidator of the company after that date as if this Ordinance had not been enacted.

**84.** Where a proprietary company was incorporated before the date of commencement of this Ordinance, the amendments made by section 35 of this Ordinance shall be deemed not to take effect in respect of the company until the expiration of the period of six months after that date. Application.

**85.—(1.)** Part VI. of the Principal Ordinance as amended by this Ordinance, and the amendments effected by sections 52, 64, 69, 75, 76, 80 and 81 of this Ordinance, apply, in relation to a company, to and in respect of the first financial year of the company that commences on or after the date of commencement of this Ordinance and in respect of each succeeding financial year of the company. Application of accounts provisions.

(2.) Notwithstanding the amendments effected by this Ordinance, the provisions of Divisions 1 and 2 of Part VI. of the Principal Ordinance as in force immediately before the commencement of this Ordinance apply, in relation to a company, to and in respect of the financial year of the company that begins before but ends after the commencement of this Ordinance.

(3.) Notwithstanding sub-section (1.) of this section, the auditor of a company shall retire at the annual general meeting of the company next held after the commencement of this section but, subject to the provisions of the Principal Ordinance as amended by this Ordinance, is eligible for re-appointment.

**86.—(1.)** Notwithstanding the provisions of section 166 of the Principal Ordinance as amended by this Ordinance and of the last preceding section, the directors of a company incorporated before the date of commencement of this Ordinance that does not have an auditor shall, within three months after that date, appoint, unless the company at a general meeting has appointed, a person or persons or a firm as auditor or auditors of the company. Transitional provision relating to appointment of auditors by exempt proprietary company.

(2.) If a director of a company fails to take all reasonable steps to comply with or to secure compliance with the last preceding sub-section he is guilty of an offence and is punishable, upon conviction, as if he had been convicted of an offence against sub-section (1.) of section 166 of the Principal Ordinance as amended by this Ordinance.

(3.) A person or firm appointed as auditor of a company under sub-section (1.) of this section shall, subject to Division 3 of Part VI. of the Principal Ordinance as amended by this Ordinance, hold office until the next annual general meeting of the company.

(4.) Notwithstanding the provisions of section 166 of the Principal Ordinance as amended by this Ordinance, of the last preceding section and of sub-section (1.) of this section, an exempt proprietary company that is an unlimited company and was incorporated before the date of commencement of this Ordinance is not required to appoint a person or persons or a firm as auditor or auditors of the company within the period of three months after that date, or at the next annual general meeting of the company held after the expiration of that period, if—

- (a) at the expiration of that period or at the date of the annual general meeting, as the case may be, no member of the company is a person other than a natural person or an exempt proprietary company that is an unlimited company or a corporation that, under the law of a State or of another Territory of the Commonwealth, is an exempt proprietary company that is an unlimited company; and
- (b) not more than one month before the expiration of that period or the annual general meeting, as the case may be, all the members of the company have agreed that it is not necessary for the company to appoint an auditor.

(5.) Notwithstanding the provisions of section 166 of the Principal Ordinance as amended by this Ordinance, of the last preceding section and of sub-section (1.) of this section, an exempt proprietary company that was incorporated before the date of commencement of this Ordinance is not required to appoint a person or persons or a firm as auditor or auditors of the company within the period of three months after that date, or at the next annual general meeting of the company held after the expiration of that period, if, not more than one month before the expiration of that period or the annual general meeting, as the case may be, all the members of the company have agreed that it is not necessary for the company to appoint an auditor.

(6.) Where a company does not, in pursuance of sub-section (4.) or (5.) of this section, appoint an auditor, the secretary of the company shall record a minute to that effect in the book containing the minutes of proceedings of general meetings of the company.

(7.) Subject to this section, the provisions of Division 3 of Part VI. of the Principal Ordinance as amended by this Ordinance apply to and in relation to an exempt proprietary company.

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## THE SCHEDULES

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### FIRST SCHEDULE

Section 79.

#### AMENDMENTS OF THE SECOND SCHEDULE TO THE PRINCIPAL ORDINANCE.

Item 30, omit "161A", insert "161B".

Item 31, omit "161A", insert "161B".

After Item 31, insert the following items:—

31A. For lodging an application under section 162c of this Ordinance . . . . . 25.00

SECOND SCHEDULE

Section 80.

PART TO BE INSERTED IN THE EIGHTH SCHEDULE TO THE PRINCIPAL ORDINANCE.

"PART II.

*Form of Annual Return of a Company Having a Share Capital.*

Annual return of \_\_\_\_\_ Limited made up  
to the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_  
being—

(a) in the case of a company that during the whole of the last financial year of the company was an exempt proprietary company, being a company that is not required to include accounts with its return—the date of the anniversary of the incorporation of the company that next succeeds the end of that financial year; or

(b) in any other case—the date determined by the company, being a date not earlier than the date of the annual general meeting before which the accounts of the company for the last financial year of the company were laid and not later than the fourteenth day after the date of that annual general meeting.

The last financial year of the company ended on \_\_\_\_\_ 19 \_\_\_\_\_

The accounts of the company \* were \_\_\_\_\_ laid before the annual general meeting of  
the company held on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_  
being \* the date of this return  
\* the date of the annual general meeting last held before the date of this return.

The address of the registered office of the company is \_\_\_\_\_

The address of the place at which the register of members is kept if other than the registered office is \_\_\_\_\_

The business names under which the company carries on business are \_\_\_\_\_

\* Strike out whichever is inapplicable.

*Summary of Share Capital and Shares.*

Nominal share capital \$	divided into <sup>1</sup>	..	..	{	shares of \$	each.
					shares of \$	each.
Total number of shares taken up <sup>1</sup> to the	day of	19	(being the date of the return or	}		
other authorized date).						
Number of shares issued subject to payment wholly in cash	..	..				
Number of shares issued as fully paid up otherwise than in cash						
Number of shares issued as partly paid up to the extent of	per			}		
share otherwise than in cash						
<sup>2</sup> Number of shares (if any) of each class issued at a discount	..	..				
Total amount of discount on the issue of shares which has not been				}	\$	
written off at the date of this return						
<sup>3</sup> There has been called up on each of	shares, \$					
<sup>4</sup> There has been called up on each of	shares, \$					
<sup>5</sup> There has been called up on each of	shares, \$					
<sup>6</sup> Total amount of calls received, including payments on application and allotment				}		
Total amount (if any) agreed to be considered as paid on	shares			}	\$	
which have been issued as fully paid up otherwise than in cash						
Total amount (if any) agreed to be considered as paid on	shares			}	\$	
which have been issued as partly paid up to the extent of	per share					
otherwise than in cash						
Total amount of calls unpaid					\$	
Total amount of the sums (if any) paid by way of commission in respect				}	\$	
of any shares or debentures since the date of the last return						
Total amount of the sums (if any) allowed by way of discount in respect				}	\$	
of any debentures since the date of the last return						

## PART II.—continued

Total number of shares forfeited .. .. .	
Total amount (if any) paid on shares forfeited .. .. .	\$ .
<sup>5</sup> Total amount of the indebtedness of the company secured on the property (whether real or personal) or undertaking of the company. }	\$ .

<sup>1</sup> Where there are shares of different kinds or amounts (e.g., preference and ordinary, or \$20 and \$10), state the numbers and nominal values separately.

<sup>2</sup> If the shares are of different kinds, state them separately.

<sup>3</sup> Where various amounts have been called or there are shares of different kinds, state them separately.

<sup>4</sup> Include what has been received on forfeited as well as on existing shares.

<sup>5</sup> State the total amount of indebtedness and show, in respect of any charge registered with the Registrar, the registered number thereof, the date of registration and the amount of indebtedness at the date of the return.

*Copy of last Accounts of the Company.*

The return must include a copy of all accounts and group accounts (if any) laid before the company at the annual general meeting together with a copy of every document required by law to be attached or annexed thereto unless the company was an exempt proprietary company to which section 165B did not apply during the whole of the financial year to which the return relates.

*Certificate to be Given by all Companies.*

A certificate in the form set out hereunder shall be given by the secretary or a director of every company and, in the case of an exempt proprietary company, by both a director and a secretary.

*Certificate.*

I/We<sup>(1)</sup> after having made due inquiries certify—

- (a) that the provisions of Part III. of the *Companies (Unclaimed Assets and Moneys) Ordinance 1950-1966* have been complied with;
- (b) having made an inspection of the share register, that transfers  
*have*<sup>(2)</sup>  
*have not* been registered since the date of *the last annual return*<sup>(3)</sup>;  
*the incorporation of the company*;
- (c)<sup>(4)</sup> that the company has not, since the date of the last annual return,<sup>(5)</sup> issued any invitation to the public to subscribe for any shares in or debentures of the company or to deposit moneys for fixed periods or payable at call;
- (d)<sup>(6)</sup> that the excess of members of the company above fifty (counting joint holders of shares as one person) consists wholly of persons who are in the employment of the company or of its subsidiary or persons who, while previously in the employment of the company or of its subsidiary, were and thereafter have continued to be members of the company;
- (e)<sup>(6)</sup> that to the best of our knowledge and belief the company was an exempt proprietary company within the meaning of section 5 of the *Companies Ordinance 1962-1973* during the whole of the financial year to which the return relates and section 165B did not apply to the company;
- (f)<sup>(6)</sup> that at the annual general meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ the company in pursuance of section 165A of the *Companies Ordinance 1962-1973* did not appoint an auditor;
- (g)<sup>(6)</sup> that at the annual general meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ the company in pursuance of section 165B of the *Companies Ordinance 1962-1973* did not appoint an auditor.

Signature

Director<sup>(6)</sup>

Signature

Secretary

(1) Strike out whichever is inapplicable.

(2) Strike out except in the case of a proprietary company.

(3) In the case of the first annual return of a proprietary company, strike out the words "last annual return" and substitute therefor the words "incorporation of the company".

(4) Strike out except in the case of a proprietary company whose members exceed fifty.

(5) Strike out except in the case of an exempt proprietary company to which section 165B does not apply.

(6) Strike out this paragraph if inapplicable.

Note: This paragraph is only applicable to an exempt proprietary company that is an unlimited company no member of which was, at the date of the annual general meeting, a person other than a natural person or an exempt proprietary company that is an unlimited company or a corporation that, under the law of a State or of another Territory of the Commonwealth is an exempt proprietary company that is an unlimited company where all the members agreed not more than one month before that meeting not to appoint an auditor.

(7) Strike out this paragraph if inapplicable.

Note: This paragraph is only applicable to an exempt proprietary company where all the members agreed not more than one month before the annual general meeting not to appoint an auditor.

(8) A certificate signed by the same person in the capacity of both director and secretary will not be accepted. See section 132 (5).

PART II.—continued

Particulars of the Directors, Managers, Secretaries and Auditors of Limited at the date of the Annual Return.

Present Christian or other name or names and surname.*	Any former Christian or other name or names or surname.	Usual address. Usual residential address in case of directors.	Other business occupation and, in the case of directors, particulars of other directorships required to be shown by s. 134 (2.) (c) and (3.) (If none, state so).
Directors†			
Manager (if any)			
Secretaries			
Auditors for current financial year			

\* In the case of a corporation, its corporate name and registered or principal office should be shown.

† " Director " includes any person who occupies the position of a director by whatever name called, and any person in accordance with whose directions or instructions the directors of a company are accustomed to act.

List of persons holding shares in \_\_\_\_\_ Limited on the \_\_\_\_\_ day of \_\_\_\_\_ 19 (being the date of the return or other authorized date) and an account of the shares so held.

NOTE.—If the names in this list are not arranged in alphabetical order, an index sufficient to enable the name of any person in the list to be readily found must be annexed to this list.

NOTE.—In the case of a no liability company or a company exempted under the provisions of section one hundred and sixty of the Companies Ordinance 1962-1973, this list is not required to be supplied.

Folio in Register Ledger containing particulars.	Names and addresses.	* Number of shares held by existing members†.

\* The aggregate number of shares held, and not the distinctive numbers, must be stated, and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.

† When the shares are of different classes, these columns may be subdivided so that the number of each class held may be shown separately. Where any shares have been converted into stock, particulars of the amount of stock must be shown.

## PART II.—continued

## No Liability Companies.

## Particulars as to Calls and as to Sales of Forfeited Shares.

Date when each call made since the date of the last return or, in the case of a first return, since incorporation was payable:

Date since the last return or incorporation when shares forfeited were offered for sale and the place of offer:

Number of shares sold at each sale of forfeited shares made since the date of the last return or, in the case of a first return, since the date of incorporation:

Number of shares unsold at each offer for sale of forfeited shares made since the date of the last return or, in the case of a first return, since the date of incorporation:

Number of shares disposed of pursuant to sub-section (3.) of section three hundred and twenty-four of the *Companies Ordinance* 1962-1973, since the date of the last return, being shares withdrawn from sale or for which no bid was received:

[Signature.]

[State whether director or manager or secretary.]”.

## THIRD SCHEDULE

Section 81.

## SCHEDULE TO BE INSERTED IN THE PRINCIPAL ORDINANCE.

## “ NINTH SCHEDULE

Sections  
162 and 341.

## ACCOUNTS AND GROUP ACCOUNTS.

## 1. (1) In this Schedule—

(a) ‘reserve’ does not include any amount written off or retained by way of providing for depreciation, renewal or diminution in value of assets or retained by way of providing for any known liability, or any amount set aside for the purpose of its being used to counter the effect of undue fluctuations in charges for taxation; and

(b) a reference to a financial year in relation to group accounts of a holding company is, where the financial year of any one or more of the companies in the group of companies does not end on the date on which the financial year of the holding company ends, a reference to the financial year of the holding company and the financial year of each other company in the group of companies that does not end on that date.

(2) The term ‘reserve’ shall not be included in any accounts or group accounts to describe any amount which is excluded by the provisions of sub-clause (1) of this clause from the meaning of that term for the purposes of this Schedule.

2. (1) There shall be shown separately in the accounts or group accounts (whether by way of note or otherwise), in addition to any other matters necessary to present a true and fair view of the profit or loss of the company or of the company and its subsidiaries—

(a) the amounts of income received, or due and receivable, as dividends declared on shares in—

- (i) related corporations; and
- (ii) other corporations,

separate amounts being shown in respect of each subsidiary;

(b) the amounts of income received, or due and receivable, as interest on debentures, deposits, loans or advances from—

- (i) the holding company;
- (ii) subsidiaries; and
- (iii) other related corporations;

(c) the amount of—

- (i) any profit arising from the sale of assets (other than current assets); and
  - (ii) any profit arising from the re-valuation of assets (other than current assets),
- and in respect of each such profit a statement whether it has been brought into account in determining the net amount of the profit or loss of the company or of the company and its subsidiaries;



NINTH SCHEDULE—*continued*

- (d) the amount of any other profit arising otherwise than in the ordinary course of business;
- (e) the amounts of interest paid, or due and payable, on debentures, deposits, loans or advances, or otherwise, to—
- (i) the holding company;
  - (ii) subsidiaries;
  - (iii) other related corporations; and
  - (iv) other persons;
- (f) The amount of—
- (i) any loss arising from the sale of assets (other than current assets); and
  - (ii) any loss arising from the re-valuation of assets (other than current assets),
- and in respect of each such loss a statement whether it has been brought into account in determining the net amount of the profit or loss of the company or of the company and its subsidiaries;
- (g) the amount of any other loss arising otherwise than in the ordinary course of business;
- (h) the amount charged for, or set aside to a provision for, depreciation, diminution in value or amortization of—
- (i) fixed assets;
  - (ii) investments; and
  - (iii) intangible assets;
- (i) the amount charged for, or set aside for, the renewal or replacement of fixed assets;
- (j) in respect of each class of debtors' accounts shown separately in the accounts or group accounts—
- (i) the amount of bad debts written off in the profit and loss account; and
  - (ii) the amount of bad debts written off against any provision, reserve or other account, stating the name of the provision, reserve or account and the amount written off against it;
- (k) in respect of each class of debtors' accounts shown separately in the accounts or group accounts, the amount set aside to any provision for doubtful debts;
- (l) separately, the total of the emoluments received, or due and receivable (whether from the company or from a related corporation) by—
- (i) directors of the company engaged in the full-time employment of the company and its related corporations (including all bonuses and commissions received or receivable by them as employees but not including the amount received or receivable by them by way of fixed salary as employees); and
  - (ii) other directors of the company, including, in each case, commissions for subscribing for, or agreeing to procure subscriptions for, any shares in or debentures of the company or any related corporation and the portion, if any, of the total amount contributed or to be contributed otherwise than by the company;
- (m) the amounts (including benefits in kind) received or due and receivable by the auditors for their services to the company, separate amounts being shown in respect of—
- (i) the auditing of the accounts or group accounts; and
  - (ii) other services,
- and the portion of each such amount contributed or to be contributed otherwise than by the company, with a statement whether the auditors receive any other benefits, and, if so, the general nature thereof.
- (2) There shall also be shown in the accounts or group accounts in respect of the financial year (whether by way of note or otherwise) the amount set aside for the payment of income tax attributable to the financial year.
3. There shall be shown in the accounts or group accounts in respect of the financial year (whether by way of note or otherwise), separately—
- (a) the amount of unappropriated profits or accumulated losses (however described) at the beginning of the financial year;
  - (b) the net amount of profit or loss after providing for payment of income tax attributable to the financial year;

NINTH SCHEDULE—*continued*

- (c) any amount set aside to any provision for the payment of income tax attributable to a period other than the financial year;
- (d) any amount set aside or proposed to be set aside to any reserve stating the origin of that amount;
- (e) any amount withdrawn, or proposed to be withdrawn, from any reserve;
- (f) any amount set aside to a provision (other than a provision specifically provided for in this Schedule);
- (g) any amount withdrawn from any provision where the amount withdrawn was not applied for the purposes of the provision;
- (h) any amount set aside for redemption of share capital or of loans;
- (i) the amount of dividends paid during the financial year and the amount of dividends proposed to be paid, excluding any amount shown in a profit and loss account or balance-sheet relating to a previous financial year as an amount proposed to be paid by way of dividends;
- (j) the amount of any appropriation or adjustment which affects the amount of unappropriated profits or accumulated losses at the end of the financial year; and
- (k) the amount of unappropriated profits or accumulated losses (however described) at the end of the financial year.

4. Where in accounts of a company or in group accounts the amount set aside for the payment of income tax attributable to the financial year differs, or but for compensatory items would differ, by more than fifteen per centum from the amount of income tax that would be payable by the company or by the company and its subsidiaries if its taxable income for that year were equal to the amount shown in or ascertainable from the accounts or group accounts as being the amount of the net profit or loss before provision is made for the payment of income tax attributable to that year, there shall be set out an explanation of the difference, including a statement of the major items responsible for the difference and the amount, or estimated amount, of those items.

5. (1) There shall be shown separately in the accounts or group accounts as at the end of the financial year (whether by way of note or otherwise)—

- (a) the amount and particulars of authorized capital, calls in arrear and paid-up capital, a distinction being drawn in those amounts and particulars between any different classes of shares;
- (b) where any part of the capital consists of preference shares—
  - (i) the rate of dividend on each class of preference shares;
  - (ii) the amount of arrears of dividend on each class of preference shares;
  - (iii) whether the preference shares are cumulative, non-cumulative, participating or non-participating;
  - (iv) whether the preference shares are to be redeemed or at the option of the company are liable to be redeeming; and
  - (v) if the preference shares are to be redeemed or at the option of the company are liable to be redeemed—the date on or before which they are to be redeemed or are liable to be redeemed, the earliest date on which the company has power to redeem them, and the amount of the premium (if any) at which they are to be redeemed or are liable to be redeemed;
- (c) the amount of capital which is not capable of being called up except in the event of, and for the purposes of, the winding up of the company;
- (d) the amount of capital upon which interest has been paid out of capital during the financial year (and the rate of interest so paid);
- (e) where the company is a no-liability company—
  - (i) the number of shares forfeited and remaining unsold; and
  - (ii) the number of shares forfeited during the financial year, showing the number of shares forfeited in respect of each call and the amount of each such call;
- (f) the amount of reserves of all descriptions, a separate amount being shown for each class;
- (g) the amount of the share premium account;
- (h) the amount of unappropriated profits or accumulated losses (if any) as shown under paragraph (k) of clause 3 of this Schedule, any accumulated losses (insofar as they have not been written off) being shown as a deduction from the amount of paid-up capital and reserves;

NINTH SCHEDULE—*continued*

(i) the amount and particulars of provisions, there being shown separately—

- (i) the amount of any provision for depreciation, diminution in value or amortization of assets shown as deductions from the amounts of the respective assets;
- (ii) the amount of any provision for doubtful debts shown as deductions from the amounts of the respective debtors' accounts to which the provision relates;
- (iii) the amount of provision for income tax, a distinction being drawn between the amount provided for current liability and that provided for future liability, and any amount provided for the purpose of its being used to counter the effect of undue fluctuations in liability for income tax being shown separately; and
- (iv) the amount and purpose of any other provision shown, if appropriate, as a deduction from the amount of the asset to which the provision relates.

(2) There shall be shown in the accounts or group accounts as at the end of the financial year (whether by way of note or otherwise) the amounts and descriptions of all current liabilities and non-current liabilities, under headings appropriate to the business of the company or of the company and its subsidiaries, and arranged in classes under those headings according to their nature or function in the business, the following being shown separately:—

- (a) bank loans;
- (b) bank overdrafts;
- (c) debentures held by—
  - (i) subsidiaries;
  - (ii) the holding company;
  - (iii) other related corporations; and
  - (iv) other persons;
- (d) the amount due to trade creditors and on bills payable;
- (e) other amounts payable to—
  - (i) subsidiaries;
  - (ii) the holding company; and
  - (iii) other related corporations;
- (f) the aggregate amount, or estimated aggregate amount, and particulars of capital expenditure contracted for, so far as the amount has not been provided for;
- (g) the amounts and descriptions of other liabilities and particulars of their nature.

(3) There shall be shown in the accounts or group accounts, if not otherwise shown, as at the end of the financial year (whether by way of note or otherwise), contingent liabilities, with a statement as to the general nature thereof and, so far as practicable, the maximum amount, or an estimate of the maximum amount, for which the company or the company and its subsidiaries could become liable in respect thereof.

(4) There shall be shown separately in the accounts or group accounts as at the end of the financial year (whether by way of note or otherwise) the amounts and descriptions of all fixed assets, intangible assets, current assets, investments and assets of any other kind, under headings appropriate to the business of the company or of the company and its subsidiaries, and arranged in classes under those headings according to their nature or function in the business, the following being shown separately:—

- (a) cash at bank and in hand;
- (b) stock on hand;
- (c) work in progress;
- (d) government, municipal and other public debentures, stock and bonds;
- (e) shares in—
  - (i) the holding company;
  - (ii) subsidiaries;
  - (iii) other related corporations; and
  - (iv) other corporations;
- (f) debentures of—
  - (i) the holding company;
  - (ii) subsidiaries;
  - (iii) other related corporations; and
  - (iv) other corporations;

NINTH SCHEDULE—*continued.*

- (g) the amount due from trade debtors and on bills receivable;
- (h) other amounts receivable from—
  - (i) the holding company;
  - (ii) subsidiaries;
  - (iii) other related corporations; and
  - (iv) other persons;
- (i) the total amount outstanding of any loans made, guaranteed or secured by the company or by the company and its subsidiaries, being loans made to the directors of the company or of a related corporation, or loans made to any other corporation in which a director or directors of the company, or of a related corporation, owns or own a controlling interest;
- (j) the aggregate of the amounts of any items of goodwill and of any patents and trademarks, to the extent that they have not been written off;
- (k) the amounts of each of the following, to the extent that they have not been written off—
  - (i) preliminary expenses;
  - (ii) expenses incurred in connexion with any issue of shares or debentures;
  - (iii) sums paid by way of commission in respect of any shares or debentures;
  - (iv) sums allowed by way of discount in respect of debentures; and
  - (v) sums allowed by way of discount on any issue of shares; and
- (l) the amounts and descriptions of other assets, with particulars of their nature.

6. (1) In respect of each liability or contingent liability shown in the accounts or group accounts, being a liability the payment of which is secured by a charge on assets of the company or of the company and its subsidiaries, whether registered or unregistered, there shall be shown a statement that it is so secured and the extent to which it is secured, and each such liability or contingent liability shall be distinguished from any other liabilities or contingent liabilities the payment of which is not so secured.

(2) Current liabilities and current assets shall be clearly distinguished from other liabilities and assets.

(3) Where, by reason of the manner in which the records of a company were kept before the date of commencement of section 81 of the *Companies Ordinance 1973*, it is not possible to show separately the amounts of any classes of assets or liabilities required by this Schedule to be separately shown, there shall be shown the total amount of assets or liabilities of those classes acquired or incurred before that date, and the separate amounts of assets or liabilities of those classes acquired or incurred after that date.

7. (1) In respect of all fixed assets, investments, stock on hand and work in progress shown in the balance-sheet there shall be stated the method of arriving at the amount thereof, and when more than one method is used a separate total shall be shown in respect of each of the methods used.

(2) There shall be shown in respect of each class of fixed assets or investments referred to in the accounts or group accounts—

- (a) the cost thereof, or (at the option of the directors) where they have been valued, the amount thereof as so valued, and, where the valuation applies only to part of such a class, separate totals for such of the assets as have been valued and for the remainder of the assets of that class;
- (b) the aggregate amount written off in respect of each class or part of a class since the date of acquisition or valuation, as the case may be; and
- (c) the difference between the amounts shown under paragraph (a) and paragraph (b) of this sub-clause.

(3) For the purposes of sub-clause (2) of this clause, the net amount at which any assets stood in the company's records at the date of the commencement of section 81 of the *Companies Ordinance 1973* (after deduction of the amounts previously provided or written off for depreciation, diminution in value or amortization) shall, if the figures relating to the period before that date cannot be obtained without unreasonable expense or delay, be treated, until a valuation is made, as if it were the amount of a valuation of those assets made on that date and, where any of those assets are sold, that net amount (less the net amount at which the assets sold stood in the records as at that date, or if no separate amount is available, their estimated value as at that date) shall be treated as if it were the amount of a valuation of the remaining assets made on that date.

NINTH SCHEDULE—*continued*

(4) Paragraphs (b) and (c) of sub-clause (2) of this clause do not apply to fixed assets the replacement of which is dealt with wholly or partly—

- (a) by making any provision for renewal or replacement and charging the cost of renewal or replacement against that provision; or
- (b) by charging the cost of renewal or replacement directly against revenue,

but in respect of those assets there shall be stated—

- (c) the method by which their renewal or replacement is dealt with; and
- (d) the aggregate amount of the provisions (if any) made for renewal or replacement and not used.

(5) If any investments of a class for which paragraph (d), (e) or (f) of sub-clause (4) of clause 5 requires a separate amount to be shown are quoted on any prescribed Stock Exchange in Australia or elsewhere, a separate total shall be shown for the quoted investments of each class, and there shall also be shown the aggregate quoted market value, calculated on the official quotation of that Exchange, of the quoted investments of each class.

(6) Where the amount of any fixed asset or investment (other than an investment the quoted market value of which has been included in an aggregate market value in accordance with sub-clause (5) of this clause) is shown at a valuation or at a valuation less amounts written off, there shall be shown (whether by way of note or otherwise) the date of the valuation, and whether the valuation was made by an officer of the company or of a related corporation or by a person not being such an officer.

(7) If the valuation referred to in sub-clause (6) of this clause was made after the date of commencement of section 81 of the *Companies Ordinance 1973* by a person not being such an officer, the name of the person who valued it and particulars of his qualifications shall be shown in the first accounts in which reference is made to the valuation.

(8) For the purposes of sub-clause (6) of this clause, the expression "officer's valuation" may be used to indicate a valuation made by an officer of the company or of a related corporation, and the expression "independent valuation" may be used to indicate a valuation made by a person not being such an officer.

(9) In addition to any other information required to be shown, there shall be shown separately (whether by way of note or otherwise), in respect of land or interests in land acquired or held for sale or resale to the extent to which they have not been written off—

- (a) the total cost of acquisition (exclusive of any costs of surveys, roads and drainage and other development expenses);
- (b) the total of any development expenses capitalized; and
- (c) the total of any amounts of rates, taxes or interest and any other amounts capitalized.

8. There shall be shown (whether by way of note or otherwise) in the balance-sheet of every company which is a borrowing corporation or a guarantor corporation a schedule setting out, separately, estimates of the amounts payable by, and the debts payable to, the company—

- (a) not later than two years;
- (b) later than two years but not later than five years; and
- (c) later than five years,

after the end of the financial year.

9. (1) Group accounts of a holding company shall state (whether by way of note or otherwise)—

- (a) the name and place of incorporation of each subsidiary and, if any business of the subsidiary is carried on in a country other than Australia, the name of that country;
- (b) the amount of the holding company's investment in each class of the share capital of each subsidiary;
- (c) the percentage of each class of the shares in each subsidiary held by the holding company; and
- (d) where the financial year of a subsidiary does not coincide with the financial year of the holding company, the date on which the financial year of the subsidiary ends.

(2) Where any consolidated accounts are to be laid before a holding company at its annual general meeting, transactions and balances between the corporations covered by the consolidated accounts shall be eliminated in determining any amounts to be stated in the consolidated accounts.

## NINTH SCHEDULE—continued.

(3) Subject to sub-clause (4) of this clause, where separate accounts of a subsidiary are to be laid before the holding company at its annual general meeting as part of the group accounts, the accounts of the subsidiary shall as far as practicable be in the same form as the accounts of the holding company.

(4) In the case of a subsidiary incorporated outside the Territory (whether or not it has established a place of business in the Territory), it shall be sufficient compliance with the provisions of sub-clause (3) of this clause if the accounts of the subsidiary—

- (a) are in such form;
- (b) are reported on by an auditor in such manner;
- (c) contains such particulars; and
- (d) include or are accompanied by such documents (if any),

as is or are required by the law of its place of incorporation concerning accounts to be laid before the subsidiary in general meeting.

(5) Where group accounts are prepared otherwise than as one set of consolidated accounts covering the group, the directors of the holding company shall certify on, or in a certificate attached to, the accounts—

- (a) that the preparation of one such set of consolidated accounts is impracticable or that it is preferable, in the interests of the shareholders, that the accounts be prepared in the form in which they are prepared (as the case may be), for reasons to be stated in the certificate; and
- (b) that, in the opinion of the directors, the accounts so prepared are not significantly affected by transactions and balances between the corporations covered by the accounts, except to the extent stated in any notes forming part of the accounts.

(6) Where any accounts included in group accounts laid before a holding company at its annual general meeting are presented in a form or grouping different from that in which the immediately preceding group accounts (if any) were so laid, the directors shall certify on, or in a certificate attached to, the accounts the names of the corporations the accounts of which have been so presented and the reasons for presenting them in that form or grouping.

(7) A certificate under sub-clause (5) or (6) of this clause shall be signed by not less than two directors.

10. All amounts shown in the accounts or group accounts shall be expressed in Australian currency, and where any conversion has been made otherwise than on the basis of the rate of exchange current at the end of the financial year of the company or holding company an explanation of the methods used in calculating the conversion shall be given.

11. (1) Except in the case of the first accounts after the incorporation of the company and in the case of the first group accounts after the company becomes a holding company, there shall be shown—

- (a) in every balance-sheet the corresponding amounts as at the end of the immediately preceding financial year; and
- (b) in every profit and loss account the corresponding amounts for the corresponding period of the immediately preceding financial year,

and where the respective financial years are not equal in length, the periods covered shall be clearly indicated by way of note or otherwise.

(2) If—

- (a) the balance-sheet does not include an item corresponding to an item in the balance-sheet as at the end of the immediately preceding financial year; or
  - (b) the profit and loss account does not include an item corresponding to an item in the profit and loss account covering the corresponding period of the immediately preceding financial year,
- that previous item and the amount thereof shall be shown.

12. (1) Where the accounts or group accounts could be misleading by reason of a failure to explain the method used in dealing with, or calculating the amount of, any item or information included in or excluded from the accounts or group accounts, there shall be stated (whether by way of note or otherwise) the method used to deal with, or calculate the amount of, the item or information.

NINTH SCHEDULE—*continued*

(2) Any sums which consist of or are in the nature of interest, accommodation charges, service charges, maintenance charges or insurance premiums, being income that has not been earned at the end of the financial year, shall not be included in the gross amount of debts owing to the company or the company and its subsidiaries unless that unearned income is shown as a deduction from that gross amount.

(3) A short statement of the method by which the amount of unearned income has been calculated shall be included in the accounts or group accounts (whether by way of note or otherwise).".

## FOURTH SCHEDULE

Section 82.

## AMENDMENTS OF THE PRINCIPAL ORDINANCE

Provision amended	Omit—	Insert—
Section 6 (1.) (a) (ii) .. ..	controls more than half of the voting power	controls more than one-half of the voting power at a general meeting
Section 18 (1.) .. ..	dated	and dated
Section 46 (6.) .. ..	is liable	are liable
Section 59 (5.) .. ..	twenty-one days	twenty-one days from the date of the notice
Section 80 (1.) (g) .. ..	paragraph of this sub-section	paragraph
Section 103 (1.) (a) .. ..	one hundred	one hundred of this Ordinance
Section 144 (2.) .. ..	representing	represents
Section 170 (3.) .. ..	Division 4 of this Part	the next succeeding Division
Section 173 (2.) .. ..	Division 3 of this Part	the last preceding Division
Section 177 (3.) .. ..	Division 3 of this Part	the last preceding Division
Section 177 (5.) .. ..	Division 3 of this Part	the last preceding Division
Section 203A (2.) .. ..	period less	period of less
Section 206 (4.) (a) .. ..	to the creditors	of the creditors
Section 249 (5.) .. ..	the Registrar	or the Registrar
Section 260 (2.) .. ..	in the value	in value
Section 300 (1.) (b) (i) .. ..	deliver up; or	deliver up; and
Section 304 (5.) .. ..	ground of which	ground on which
Section 318 (2.) .. ..	the Territory	in the Territory
Section 354 (6.) .. ..	after opening	after the opening
Section 368 .. ..	the Judge	a Judge
Section 378 (2.) .. ..	company and each officer of a company who	company which, and each officer of a company who,
Fourth Schedule, Table A, clause 47	<i>proprietary</i>	<i>a proprietary</i>
Fourth Schedule, Table A, clause 91	into account in	into account
Fifth Schedule, Part I., clause 7 .. ..	two preceding years	last two preceding years
Fifth Schedule, Part I., clause 9 .. ..	two preceding years	last two preceding years
Fifth Schedule, Part I., clause 10 .. ..	two preceding years	last two preceding years
Fifth Schedule, Part I., clause 12 .. ..	two preceding years	last two preceding years
Fifth Schedule, Part I., clause 14 .. ..	two preceding years	last two preceding years
Fifth Schedule, Part II., clause 23 .. ..	as to whether	whether
Fifth Schedule, Part III., clause 31 .. ..	shall make	make
Sixth Schedule, Part I. .. ..	two preceding years	last two preceding years
Sixth Schedule, Part II., clause 2 (2.) (b)	regard	regards
Sixth Schedule, Part III., clause 5 .. ..	shall make	make
Seventh Schedule, Part I., clause 15 .. ..	during which,	during, which
Seventh Schedule, Part I., clause 21 .. ..	replacement to be met	replacement is to be met
Eighth Schedule, Part I., clause 5 (a) .. ..	to say	to say, in the case of an individual,
Eighth Schedule, Part I., clause 5 (b)	member	member as
Tenth Schedule, Part B, clause 2 (g) .. ..	six months	six months immediately