CHAPTER viii.

An Act to authorise the English Scottish and Australian Bank Limited to pay interest to the Creditors of the English Scottish and Australian Chartered Bank upon their respective Debts for which Securities of the first-mentioned Bank are substituted in respect of the period between the suspension of the said Bank and the confirmation of the Plan of Arrangement of its affairs and for other purposes. [1st June 1894.]

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WHEREAS the English Scottish and Australian Chartered Bank (in this Act referred to as "the Old Bank") being a bank incorporated under Royal Charter suspended payment on the twelfth day of April one thousand eight hundred and ninety-three :

And whereas the bulk of the shareholders in the Old Bank were resident in England and the great majority of the customers and creditors of the Old Bank were resident in Australia :

And whereas the nominal capital of the Old Bank was one million five hundred thousand pounds of which nine hundred thousand pounds had been issued divided into forty-five thousand shares of twenty pounds each the whole of which had been paid up and under the terms of the charter every shareholder in the Old Bank was in the event of its going into liquidation liable for a further sum of twenty pounds :

And whereas at the date of the suspension of payments by the Old Bank the Old Bank owed about five and a half millions of money of which about eight hundred and thirty-eight thousand pounds was in respect of preferential and other claims herein-after specified and the balance was due upon terminable deposits and open accounts and of the said five and a half millions about one million was due to British and four and a half millions to colonial creditors :

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And whereas the preferential and other claims above referred to were approximately—

	(A.) Amount due to the Government - -	£365,000
	(B.) Amount due upon note issue - -	160,000
and	(C.) Bills payable (which to save the goodwill of the Company it was decided to class as preferential liabilities) and letters of credit	313,000
	Total -	£838,000

And whereas on the suspension of the Old Bank a petition was presented for the winding up of its affairs under the Companies Acts 1862 to 1890 and on the twenty-sixth day of April one thousand eight hundred and ninety-three an order was made for the winding up of the Old Bank and the official receiver was appointed liquidator thereof:

And whereas a plan of arrangement (herein-after referred to as "the scheme") was prepared under which a new bank was to be formed and a new bank was formed accordingly under the name of the English Scottish and Australian Bank Limited (herein-after referred to as "the Company") and was on the ninth day of August one thousand eight hundred and ninety-three duly registered under that name as a limited company under the Companies Acts 1862 to 1890 with a capital of one million five hundred and seventy-five thousand pounds divided into forty-five thousand shares of thirty-five pounds each of which ten pounds was to be credited as paid up with the right to shareholders in the Old Bank to apply for shares in the Company share for share paying up twelve pounds ten shillings per share (beyond the ten pounds credited as paid up thereon as aforesaid) in instalments as provided by the scheme:

And whereas the scheme provided that the liquidator should make a call of twenty pounds per share on the shareholders in the Old Bank and apply the proceeds of the call in paying the preferential and other claims amounting to about eight hundred and thirty-eight thousand pounds as aforesaid and that every shareholder in the Old Bank applying for a share in the Company and paying five pounds per share should receive the indemnity of the Company against payment of calls upon his shares in the Old Bank and that the liquidator of the Old Bank should assign all the assets and the whole of the liabilities other than the liabilities on the said preferential and other claims to the Company and that the Company should satisfy the creditors of the Old Bank in the following way namely by payment in cash of all interest which accrued due up to

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the date of suspension namely the twelfth day of April one thousand eight hundred and ninety-three and as to the principal of the debts of the Old Bank by the issue to the creditors thereof of the following securities namely (1) Debenture stock bearing four per centum interest and not constituting a charge upon any of the assets of the Company to the amount of one fourth of each creditor's claim (2) Terminable deposit receipts bearing four per centum interest and repayable in instalments as provided by the scheme to the amount of one fourth of each creditor's claim and (3) Inscribed deposit stock bearing four and a half per centum interest payable only out of profits of the Company to the amount of the remaining one half of each creditor's claim and that the debenture stock and inscribed deposit stock should be perpetual save in the event of the winding up of the Company and that the inscribed deposit stock should on a liquidation of the Company rank behind the debenture stock terminable deposit receipts and the general debts of the Company:

And whereas the scheme was submitted to a meeting of the creditors of the Old Bank duly convened and held in London on the twelfth day of June one thousand eight hundred and ninety-three and duly approved by the requisite majority under the Joint Stock Companies Arrangement Act 1870 and at a meeting of shareholders of the Old Bank duly convened and held on the same day and at the same place the scheme was unanimously approved by the shareholders present:

And whereas the scheme was on the first day of July one thousand eight hundred and ninety-three sanctioned by the court and was on the thirteenth day of July one thousand eight hundred and ninety-three confirmed by the court of appeal:

And whereas the Company was registered as aforesaid under the Companies Acts 1862 to 1890 with articles of association in the First Schedule to which the scheme as sanctioned as aforesaid was set forth:

And whereas after the registration of the Company a question was raised before the court whether interest would be payable to the creditors for the period between the twelfth day of April one thousand eight hundred and ninety-three (the date of the suspension of the Old Bank) and the first day of July one thousand eight hundred and ninety-three (the date when the scheme was sanctioned as aforesaid) and the court decided that having regard to the terms of the scheme as sanctioned and scheduled as aforesaid interest on the debenture stock terminable deposit receipts and inscribed deposit stock would commence to run only from the said first day of July and the Company are advised that under their memorandum and

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articles of association it would be ultra vires to pay such interest for the period between the said twelfth day of April and the said first day of July :

And whereas it is just and expedient that provision should be made for the payment of such interest :

And whereas none of the debenture stock terminable deposit receipts or inscribed deposit stock were issued before the first day of January one thousand eight hundred and ninety-four :

And whereas it is expedient that the articles of association be in some respects amended :

And whereas the objects of this Act cannot be attained without the authority of Parliament :

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows :—

Short title.

1. This Act may be cited as the English Scottish and Australian Bank Limited Act 1894.

Providing for interest on certain liabilities of Old Bank.

2. The Company shall as soon as may be after the passing of this Act pay in cash out of their funds applicable to capital purposes to each of the creditors of the Old Bank or his legal representatives interest at the rates herein-after mentioned for the period between the twelfth day of April one thousand eight hundred and ninety-three and the first day of July one thousand eight hundred and ninety-three that is to say at the rate of four pounds per centum per annum in respect of so much of the debt as is represented by debenture stock and of so much of the debt as is represented by a terminable deposit receipt and at the rate of four pounds ten shillings per centum per annum in respect of so much of the debt as is represented by inscribed deposit stock For the purposes of this section the registered holder or holders at the time of the passing of this Act (herein-after referred to as "the registered holder or holders for the time being") of any debenture stock or terminable deposit receipt or inscribed deposit stock issued in satisfaction of the principal of any debt shall be deemed to be a creditor or creditors of the Old Bank for the amount of such principal or of so much thereof as is represented by the respective stock or receipt and where several persons are registered as the holders of any such stock or deposit receipt such interest may be paid to the first-named of such registered holders Provided that where any such stock or deposit receipt has before the passing of this Act been transferred by the person or persons in whose name or names the same shall have

been first registered in the books of the Company (herein-after referred to as " the original holder or holders ") such interest shall be deemed to be and shall be due and payable to the original holder or holders or to the registered holder or holders for the time being of such stock or receipt as may have been expressly in that behalf agreed between the original holder or holders and his or their immediate transferee or transferees and in the absence of any such express agreement between them shall be deemed to be and shall be due and payable to the registered holder or holders for the time being.

Amending 39th article of association.

3. Article 39 of the articles of association of the Company shall be read and have effect as if after the words " the second schedule hereto " and also after the words " second schedule " in each of the two places where those words occur subsequently to the words " the second schedule hereto " in the said article the following words were added " or in such other form not inconsistent with the said " scheme of arrangement as the directors by resolution passed at a " meeting of the board from time to time direct or approve."

Amending Part 3 of second schedule to articles of association.

4. The form of certificate of inscribed deposit stock set forth in Part 3 of the second schedule to the articles of association of the Company shall be read and have and be deemed to have had effect as if the words and figure " 1st January and " had been omitted therefrom and all certificates which have been already issued by the Company in the form so altered shall be deemed to have been and shall be valid.

As to time of payment of interest on inscribed deposit stock.

5. Notwithstanding anything contained in the articles of association of the Company or in Part 3 (as altered by this Act) of the second schedule thereto or in any certificate of inscribed deposit stock the directors may from time to time by resolution passed at a meeting of the board make the interest on the inscribed deposit stock payable half-yearly on the first day of January and the first day of July instead of being payable yearly on the first day of July and may from time to time by like resolution rescind any resolution so passed and such interest shall for the time being be payable half-yearly or yearly as aforesaid as the case may be in accordance with any such resolution for the time being in force Whilst and so long as under any such resolution such interest shall be payable half-yearly the directors may if they think fit by the same resolution or by any other resolution passed at a meeting of the board declare and order that no transfer of inscribed deposit stock shall be registered during fourteen days immediately

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preceding the first day of January and the first day of July in each year and may accordingly close the transfer books relating to that stock during each such period of fourteen days.

Costs of Act.

6. All costs charges and expenses of and incident to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Company out of their funds applicable to capital purposes.

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