

## BUILDING SOCIETIES.

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No. 15 of 1970.

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### AN ACT to amend the Building Societies Act, 1920-1962.

[Assented to 29th April, 1970.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title  
and  
citation.

1. (1) This Act may be cited as the *Building Societies Act Amendment Act, 1970*.

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1963.

(2) In this Act the Building Societies Act, 1920-1962 is referred to as the principal Act.

(3) The principal Act as amended by this Act may be cited as the Building Societies Act, 1920-1970.

2. This Act shall come into operation on a date to be fixed by proclamation. Commence-  
ment.

3. Section 3 of the principal Act is amended by adding immediately before the interpretation, "Advisory Committee" the following interpretation— S. 3  
amended.

"Advertisement" means an advertisement in or by any medium inviting business or making known all or any of the activities of a society or an association or body proposing to seek registration as a society, and the term "advertise" has a corresponding meaning; .

4. Subsection (3) of section 4 of the principal Act is amended— S. 4  
amended.

(a) by deleting the passage, "after the coming into operation of the Building Societies Act Amendment Act, 1961," in lines one, two and three; and

(b) by substituting for the word, "thirty" in line seven, the word, "forty-five".

5. Section 5 of the principal Act is amended— S. 5  
amended.

(a) by deleting the word, "Upon" in line one of subsection (3) and substituting the passage, "Subject to subsection (3a) of this section, upon" ; and

(b) by adding after subsection (3) the following subsection—

(3a) The Registrar shall not register a permanent society under the provisions of subsection (3) of this section unless he is satisfied that the permanent society will have available to it from the date of its registration funds amounting to

not less than two hundred thousand dollars by way of members' share capital and that those funds will be expressly prohibited by the agreement or agreements relating to the subscription of the capital and by the rules from being withdrawn or repaid within the period of ten years commencing on the date of registration. .

S. 12A  
amended.

6. Section 12A of the principal Act is amended—

- (a) by adding after subsection (2) the following subsection—

(2a) Notwithstanding anything in this Act the rules of a society may lawfully provide for the appointment of not more than two employees of the society as directors of the society. ;

- (b) by deleting paragraph (g) of subsection (4); and

- (c) by substituting for the word, "two" in line four of subsection (5), the word, "three".

S. 12AA  
added.

7. The principal Act is amended by adding after section 12A the following section—

Age limit  
for directors.

12AA. (1) Subject to the provisions of this section, no person of or over the age of seventy-two years shall be appointed a director of a society.

(2) The office of a director of a society shall become vacant at the conclusion of the annual general meeting commencing next following the day on which he attains the age of seventy-two years.

(3) Any act done by a person as director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of subsection (2) of this section.

(4) Where the office of a director has become vacant by virtue of subsection (2) of this section no provision for the automatic re-appointment of retiring directors in default of another appointment shall apply in relation to that director.

(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(6) Notwithstanding anything in this section, a person of or over the age of seventy-two years may be appointed or re-appointed as a director of a society to hold office until the next annual general meeting of the society or be authorised to continue in office as a director until the next annual general meeting of the society if—

- (a) the appointment or re-appointment is made by not less than two-thirds of the members who lodged valid voting papers pursuant to a postal ballot; or
- (b) at a meeting of the society a special resolution is passed authorising that director to remain in office until the next annual general meeting.

(7) Nothing in this section shall limit or affect the operation of any provision of the rules of the society preventing any person from being appointed a director, or requiring any director to vacate his office, at any age less than seventy-two.

8. The principal Act is amended by adding the following section—

S. 12AB  
added.

12AB. (1) Subject to the provisions of this section, a director of a society who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the society shall declare the nature of his interest to the committee of management in accordance with this section.

Disclosure of  
interested by  
directors.

(2) In the case of a proposed contract, the declaration required by this section to be made by a director shall be made at the meeting of the committee of management at which the question of entering into the contract is first taken into consideration, or, if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the committee of management held after he becomes interested in the proposed contract.

(3) Where the director becomes interested in a contract with the society after it is made, the declaration required by this section shall be made at the first meeting of the committee of management held after he becomes interested in the contract.

(4) For the purposes of this section, a general notice in writing given by a director to the effect that he is a member of a specified company or firm, and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm is a sufficient declaration to the committee of management to which it is given of the interest of the director by whom it is given in any contract made after that date with that company or firm.

(5) A director need not make a declaration or give a notice under this section by attending in person at a meeting of the committee of management, if he takes reasonable steps to secure that the declaration or notice is brought up and read at the meeting.

(6) A director who fails to comply with the provisions of subsection (1) of this section commits an offence and is liable to a penalty not exceeding two hundred dollars.

(7) Nothing in this section shall be taken to prejudice the operation of any rule of law restricting directors of a society from having any interest in contracts with the society.

(8) The secretary of the society shall record every declaration under this section in the minutes of the meeting at which it is made.

9. Section 12B of the principal Act is amended— S. 12B  
amended.

- (a) by deleting the passage, “, or other officer of the society,” in line one of subsection (1), and substituting the words, “of a society”;
- (b) by deleting the words, “or other officer” in lines three and four of subsection (1); and
- (c) by adding after subsection (1) the following subsection—

(1a) A society shall not make any advance to any officer of the society who is not a director unless the making of the advance has been first approved at a meeting of the committee of management of the society.

10. Section 15 of the principal Act is amended— S. 15  
amended.

- (a) by adding after the word, “member” in line three, the words, “or a depositor”; and
- (b) by deleting the words “during his nonage” in line 5 and substituting the words “until he is eighteen years of age.”

11. Subsection (2) of section 16 of the principal Act is repealed and re-enacted with amendments as follows— S. 16  
amended.

(2) On and after the coming into operation of the Building Societies Act Amendment Act, 1970, a building society under this Act shall not—

- (a) issue any shares to, or to the nominee of, a corporation or incorporated company that would result in—
  - (i) the shares held beneficially by any one corporation or incorporated company being in excess

of twenty per centum of the subscribed capital for the time being of the society; or

- (ii) the aggregate of the shares held beneficially by corporations or incorporated companies being in excess of fifty per centum of the subscribed capital for the time being of the society; or

- (b) issue any of its shares to, or to the nominee of, a person not being a corporation or incorporated company that would result in the shares held beneficially by any one person, not being a corporation or incorporated company, being in excess of twenty per centum of the subscribed capital for the time being of the society. .

S. 18B added.

12. The principal Act is amended by adding after section 18A the following section—

Limits on  
certain  
advances.

18B. (1) Subject to this section, a society shall not advance money on the security of a first mortgage over land unless—

- (a) where the amount of the proposed advance exceeds twenty thousand dollars, it does not exceed seventy-five per centum of the valuation of the land over which security is to be taken; or
- (b) where the amount of the proposed advance does not exceed twenty thousand dollars, it does not exceed eighty per centum of the value of the land over which security is to be taken.

(2) Subsection (1) of this section does not apply in respect of an advance where—

- (a) the whole repayment of the advance has been insured by a mortgage insurer; or

(b) the advance is—

- (i) made by the society in its capacity as an approved institution for the purposes of the Commonwealth and State Housing Agreement Act, 1956; or
- (ii) made by the society in its capacity as an approved institution for the purposes of the Housing Loan Guarantee Act, 1957.

(3) In this section, “mortgage insurer” means the Housing Loans Insurance Corporation established under the Housing Loans Insurance Act 1965 of the Commonwealth or any Act amending or in substitution for that Act, or any corporation approved by the Registrar as a mortgage insurer for the purposes of this section.

13. The principal Act is amended by adding a section as follows—

S. 18C added.

18C. Where a society approves an application made to it by a person wishing to obtain an advance from it on the security of a first mortgage over land, it shall—

Society to advise borrower of interest, charges, etc.

- (a) within seven days of approving the application; or
- (b) before requiring the person obtaining the advance to execute such documents as are necessary to obtain the security on which the advance is to be made,

whichever is the earlier, cause to be sent by prepaid post to that person at his last known place of residence or business as disclosed in his application, a notice in the prescribed form setting out such particulars as are prescribed



concerning the rate of interest that is payable under the proposed advance, the date on which interest commences to accrue, the date on which repayments of principal and interest are to commence, and the amount of any other fees, charges or other expenses paid or to be paid by the person. .

S. 19B added.

14. The principal Act is amended by adding after section 19A the following section—

Liquidity.

19B. (1) A permanent society shall not approve of an advance unless, at the time the approval is given, the society holds liquid funds equal to not less than seven and one-half per centum of the total of members' paid up share capital, deposits held with and loans to the society.

(2) For the purposes of subsections (1) and (4) of this section—

(a) members' share capital, deposits held with and loans to the society do not include any such capital, deposits or loans that are not due for repayment within the period of five years after the date on which the approval of the advance is given by the society;

(b) liquid funds held by a society means—

(i) cash at bank or in hand;

(ii) any other funds invested by the society in a manner authorised by section twenty-four of this Act other than funds invested upon real or leasehold securities.

(3) For the purposes of subsections (1) and (4) of this section, investments referred to in subparagraph (ii) of paragraph (b) of subsection (2) of this section shall be taken at their cost or market value, whichever is the lesser.

(4) Every permanent society shall cause to be prepared in writing and furnished to the Registrar returns setting out the amounts of liquid funds held by the society on each of the

following dates, namely the thirty-first day of March, the thirtieth day of June, the thirtieth day of September and the thirty-first day of December, in every year, and the totals of members' paid up share capital, deposits held with and loans to the society on each of those dates.

(5) Every return prepared pursuant to subsection (4) of this section shall be furnished to the Registrar not later than fourteen days after the date to which the return relates. .

15. The principal Act is amended by adding a section as follows— S. 19C added.

19C. (1) In this Act "special advance" means an advance made by a permanent society on the security of a mortgage over land, being an advance of one of the following descriptions, that is to say— Meaning of "special advance".

- (a) an advance of any amount to a body corporate;
- (b) an advance to a person other than a body corporate of a sum exceeding thirty thousand dollars or, where some other sum is prescribed, the prescribed sum;
- (c) an advance of a sum exceeding ten thousand dollars or, where some other sum is prescribed, the prescribed sum, secured by mortgage over vacant land;  
or
- (d) an advance of any amount to a person other than a body corporate, being a person who, after the advance is made, is indebted to the society in respect of that advance and any other moneys whatsoever, whether immediately repayable or not, in an aggregate sum of not less than thirty thousand dollars, or, where a sum has been prescribed pursuant to paragraph (b) of this subsection, the prescribed sum.

(2) Where a member transfers or conveys to another person his interest in any property which is the subject of a mortgage to the society, the transfer or conveyance shall for the purposes of this Act relating to special advances be treated as an advance made by the society to that other person of an amount equal to the amount of the mortgage debt remaining unpaid immediately after the transfer or conveyance together with any arrears of interest then outstanding.

(3) An advance made jointly to two or more persons shall, for the purposes of this Act, be taken to be a special advance if an advance of the like amount made under the like conditions to any one of those persons would be a special advance. .

S. 19D added.

16. The principal Act is amended by adding a section as follows—

Limitation  
on special  
advances.

19D. (1) Subject to section nineteen E of this Act, a permanent society shall so conduct its business as to ensure that special advances are not made by it except as authorised by this section.

(2) At the end of each financial year a permanent society shall review the advances made by it which are outstanding at the end of that year, and shall ascertain—

- (a) the total amount of those advances which at that time has not been repaid to the society, together with any arrears of interest in respect of those advances; and
- (b) the proportion of that amount not repaid which is in respect of special advances and any arrears of interest thereon.

(3) If the proportion ascertained at the end of a financial year in accordance with paragraph (b) of subsection (2) of this section (in this section referred to, in relation to that year, as "the ascertained proportion" for that year) does not exceed ten per centum, the society may make special advances in the next following financial year, but so that the total amount of special advances made by it in that following financial year does not exceed ten per centum of the total amount of all advances made by the society during that following financial year.

(4) If the ascertained proportion for a financial year exceeds ten per centum but does not exceed twenty-five per centum the society may make special advances in the next following financial year, but so that the total amount of special advances made by it in that following financial year does not exceed two and one-half per centum of the total amount of all advances made by the society in that following financial year.

(5) If the ascertained proportion for a financial year exceeds twenty-five per centum the society shall not make any special advances in the next following financial year.

(6) After the coming into operation of the Building Societies Act Amendment Act, 1970, a permanent society shall not make any special advances in its first financial year.

17. The principal Act is amended by adding a section as follows—

S. 19E  
added.

19E. (1) The provisions of this section shall have effect where a permanent society, in the exercise of its powers as mortgagee, proposes to sell any land, or estate or interest therein,

Permission  
to make  
special  
advance to  
purchaser of  
a mortgaged  
property.

mortgaged to the society, or any such land, estate or interest in respect of which the equity of redemption has been foreclosed, and to make to the purchaser an advance upon the security of that land, or estate or interest therein, which will constitute a special advance.

(2) If, on an application to the Registrar, the society shows to his satisfaction—

- (a) that the person who is, or was immediately before foreclosure, entitled to redeem the mortgage is a body corporate, or a person who is, or was immediately before foreclosure, indebted to the society (taking into account the advance secured by the mortgage and all other debts to the society of any description, whether immediately repayable or not) in an amount exceeding that prescribed by or pursuant to paragraph (b) of subsection (1) of section nineteen C of this Act; and
- (b) that the amount of the mortgage debt which, at the time of the application, has not been repaid to the society, together with any arrears of interest in respect of the advance secured by the mortgage, exceeds the amount of the advance which the society proposes to make to the purchaser of the land, estate or interest,

the Registrar may, if he thinks fit, grant to the society permission in writing to make the special advance to which the application relates. .

S. 20  
amended.

18. Section 20 of the principal Act is amended by adding after the word, "building" in line four, the words, "to be used either wholly or partially".

S. 24A  
added.

19. The principal Act is amended by adding after section 24 the following section—

24A. (1) No person shall, by advertisement in any form, seek members, capital or deposits in or for a proposed society unless the contents of the advertisement have first been approved in writing by the Registrar.

Advertisement by societies.

(2) A society registered after the coming into operation of the Building Societies Act Amendment Act, 1970 shall not commence to advertise until it has first obtained the written approval of the Registrar.

(3) A society shall, upon receiving a direction in writing to that effect by the Registrar, discontinue the publication or issue of any advertisement which in the opinion of the Registrar—

- (a) is not a correct statement of fact; or
- (b) is not in the public interest.

20. Section 30 of the principal Act is repealed and re-enacted as follows—

S. 30 repealed and re-enacted.

30. (1) Any—

Societies may amalgamate.

- (a) two or more permanent societies under this Act;
- (b) two or more Starr Bowkett societies under this Act; or
- (c) two or more terminating societies under this Act,

may apply to be registered as an amalgamated society, with or without any winding up or any division of the funds of the societies or any of them, if—

- (d) the terms of the amalgamation are approved by a special resolution of each of the societies; and

- (e) the amalgamation is approved in writing by the holders of not less than two-thirds of the whole number of shares in each society, or the amalgamation is confirmed under subsection (3) of section thirty B of this Act.

(2) The application made under subsection (1) of this section shall be in the prescribed form and be accompanied by—

- (a) two copies of the proposed rules of the amalgamated society; and
- (b) such other particulars as may be prescribed.

(3) If the Registrar is satisfied that the societies have complied with the provisions of this Act, and that the proposed rules of the amalgamated society are not contrary to this Act, the Registrar shall, upon the surrender to him of the certificates of incorporation of the amalgamating societies or production of such evidence as to the loss of any of them as the Registrar may require, register the amalgamated society and its rules, issue a certificate that the society is registered as an amalgamated society under this Act and notify the issue of the certificate in the *Gazette*.

(4) The Registrar may, following the issue of a certificate under subsection (3) of this section, remove from the register the name of any of the societies which have so amalgamated.

(5) The amalgamation of two or more societies pursuant to this section shall not prejudice any right of a creditor of any society which is a party to the amalgamation.

(6) Upon the issue of the certificate of registration as an amalgamated society the property of each society that is a party to the amalgamation shall, on and from the date thereof and by virtue of this Act without any conveyance, transfer or assignment, except as otherwise provided in this section, vest in the amalgamated society.

(7) For the purposes of this section the property of the societies that are parties to the amalgamation shall include all estates and interests in property, whether real or personal, vested or contingent.

(8) In the following cases the property shall not vest until the appropriate transfer is executed and registered so that the property is duly transferred, that is to say, in the case of—

- (a) any land subject to the provisions of the Transfer of Land Act, 1893;
- (b) any property a transfer of which is required to be registered by any other Act.

(9) In the case of any property that is only transferable in books kept by a corporation, company or other body or in manner directed by or under any Act, the property shall not vest until it is duly transferred.

(10) If any property does not vest under this section until transfer or registration, the amalgamated society shall, by virtue of this Act, have the right to call for a transfer of the property to the amalgamated society or to such person as the committee of management directs and to sue for or recover the property, and in the case of a memorandum of mortgage under the Transfer of Land Act, 1893, may exercise any power conferred on the mortgagee by any Act, or by the mortgage or may discharge the mortgage as if the amalgamated society were the registered proprietor thereof.

(11) Any property which is vested in or transferred to an amalgamated society by virtue of or in pursuance of this section shall be subject to any debt, liability or obligation specially charged on or affecting the same.

(12) All debts and liabilities, whether certain or contingent, and whether then existing or capable of arising at a future time, to or with



which any society that is a party to the amalgamation is, at the date of the certificate of incorporation of the amalgamated society, liable or charged, shall by virtue of this Act become and be the debts and liabilities of the amalgamated society. .

Ss. 30A, 30B  
added.

21. The principal Act is amended by adding after section 30 the following sections—

Transfer of  
engagements.

30A. (1) Subject to this section a society may by special resolution transfer its engagements to another society which undertakes to fulfil those engagements, and a society may—

- (a) by special resolution; or
- (b) with the consent of the Registrar, by resolution of a general meeting or of the committee of management,

undertake to fulfil the engagements of another society.

(2) For the purposes of subsection (1) of this section—

- (a) a permanent society is capable of transferring its engagements only to another permanent society;
- (b) a Starr Bowkett society is capable of transferring its engagements only to another Starr Bowkett society; and
- (c) a terminating society is capable of transferring its engagements only to another terminating society.

(3) A transfer of engagements between societies under this section shall not have effect unless—

- (a) the holders of not less than two-thirds of the whole number of shares of each of the societies have consented in

writing to the transfer, or the transfer has been confirmed under subsection (3) of section thirty B of this Act; and

- (b) the special resolution of the transferor society has been registered.

(4) The Registrar, before registering the special resolution referred to in paragraph (b) of subsection (3) of this section, may require such evidence as he deems necessary to ensure—

- (a) that the transferee society has by means authorised in this section undertaken to fulfil the engagements of the transferor society;
- (b) that the statements referred to in section thirty B of this Act have been issued, unless exemption has been granted by the Registrar pursuant to subsection (1) of that section; and
- (c) that the necessary consent to the transfer has been given under subsection (3) of this section, unless the Registrar has, pursuant to the provisions of subsection (3) of section thirty B of this Act, confirmed the transfer.

(5) Within one month of the passing of a resolution under paragraph (b) of subsection (1) of this section, the society shall notify the Registrar that the resolution has been passed and if the society fails so to notify the Registrar, the society and every officer of the society who is in default, shall be guilty of an offence and be liable to a penalty not exceeding two hundred dollars.

(6) The provisions of subsections (5) to (12), both inclusive, of section thirty of this Act shall apply, *mutatis mutandis*, to a transfer of engagements where a society transfers the whole of its engagements to another society, and for the purpose of that application—

- (a) a reference to amalgamation shall be construed as a reference to transfer of engagements;

- (b) a reference to the amalgamated society shall be construed as a reference to the society to which the engagements are transferred;
- (c) a reference to a society that is a party to the amalgamation shall be construed as a reference to the society transferring its engagements; and
- (d) a reference to the issue of the certificate of incorporation shall be construed as a reference to the registration of the special resolution of the transferor society referred to in subsection (1) of this section.

Supple-  
mentary pro-  
visions as to  
amalgama-  
tion or  
transfer of  
engagements.

30B. (1) A society desiring to amalgamate with one or more other societies or to transfer its engagements to another society, or to undertake to fulfil the engagements of another society, shall unless exempted in writing by the Registrar, send to each of its members a statement the contents of which have been approved by the Registrar concerning—

- (a) the financial position of the society sending the statement and that of the other society or societies concerned;
- (b) the interest of the directors of the society sending the statement in the amalgamation or transfer of engagements and that of the directors of the other society or societies concerned;
- (c) the compensation or other consideration proposed to be paid to the directors or other officers of the society sending the statement and of the other society or societies concerned;
- (d) the payments to be made to members of the society sending the statement and of the other society or societies concerned in consideration of the

amalgamation or transfer of engagements; and

- (e) such other matters as the Registrar directs.

(2) A statement under subsection (1) of this section shall be sent so that it will in due course of post reach each member not later than the time at which he would receive notice of the meeting called to pass the special resolution referred to in subsection (1) of section thirty or subsection (1) of section thirty A of this Act, as the case requires.

(3) A society may apply to the Registrar to confirm an amalgamation or transfer of engagements notwithstanding that the consents in writing of the holders of two-thirds of the whole number of shares of that society have not been obtained and where any such application is made—

- (a) the society shall give notice of the application in such manner, at such times and in such newspapers as the Registrar directs; and
- (b) the Registrar may, after hearing the society and any other person whom he considers entitled to be heard, confirm the amalgamation or transfer of engagements accordingly. .

22. Section 34 of the principal Act is repealed and re-enacted as follows—

S. 34  
repealed and  
re-enacted.

34. (1) Every society shall—

Accounts,  
returns,  
audit, etc.

- (a) cause to be kept such books of account with respect to its transactions and its assets and liabilities as are necessary to give a true and fair view of the state of the affairs of the society and to explain its transactions;

- (b) establish and maintain a system of control and inspection of its books of account and a system for supervising its cash holdings and all receipts and remittances; and
  - (c) establish and maintain a system to ensure the safe custody of all documents of title and securities belonging to the society, and of the deeds relating to property mortgaged to the society.
- (2) The directors of every society shall lay before the society at the annual general meeting—
- (a) a revenue and appropriation account for the last financial year ending before the date of the annual general meeting; and
  - (b) a balance sheet as at the end of that financial year.
- (3) Every balance sheet of a society shall give a true and fair view of the state of the affairs of the society as at the end of its financial year, and every revenue and appropriation account of a society shall give a true and fair view of the income and expenditure of the society for the financial year.
- (4) Without limiting the operation of any other provision of this Act—
- (a) every balance sheet and every revenue and appropriation account of a society shall be in the prescribed form; and
  - (b) there shall be included in every balance sheet and every revenue and appropriation account of a society such particulars as are prescribed.
- (5) Every balance sheet of a society shall be signed on behalf of the committee of management of the society by two of the directors and

by the manager or secretary of the society, and, unless a balance sheet has been signed as required by this subsection, neither it nor any copy thereof or extract therefrom shall be issued, circulated or published.

(6) The revenue and appropriation account shall be annexed to the balance sheet, and the auditors' report shall be attached to that balance sheet, and the revenue and appropriation account so annexed shall be approved by the committee of management of the society before the balance sheet is signed on their behalf.

(7) No copy of a balance sheet of a society shall be issued, circulated or published unless—

- (a) there is annexed thereto a copy of the revenue and appropriation account; and
- (b) there is attached thereto a copy of the auditors' report.

(8) The directors of a society shall prepare for submission at each annual general meeting of the society a report on the state of the affairs of the society.

(9) Every report prepared pursuant to subsection (8) of this section shall include a statement setting out, for the financial year last ending before the annual general meeting at which the directors' report is submitted—

- (a) the total amount advanced during the financial year by the society on the security of freehold or leasehold property, and the total number of mortgages executed in favour of the society during that year;
- (b) the total amount of money received during the financial year by way of investments in, or loans to, the society from members and depositors, and the

total amount of money paid out by the society by way of repayment of the principal value of shares in the society, or by way of repayment of sums lent to the society by depositors;

- (c) the number of cases in which, at the end of the financial year, a mortgagor was in arrears with payments due to the society under his mortgage on account of principal and interest to an amount which exceeded the amount which fell due under the mortgage on account of principal and interest in that financial year;
- (d) the total of the amounts of the arrears at the end of the financial year in all cases referred to in the last preceding paragraph; and
- (e) the proportion of the total amount advanced by the society as mentioned in paragraph (a) of this subsection which represents special advances within the meaning of section nineteen C of this Act, and the number of mortgages executed during that financial year to secure special advances.

(10) The directors' report shall be attached to the balance sheet and no copy of a balance sheet shall be issued unless there is attached thereto a copy of the directors' report.

(11) A copy of every balance sheet, including every document required to be annexed to it, which is to be laid before a society at the annual general meeting, together with a copy of the auditors' report and of the directors' report, shall, not less than seven days before the date of the meeting, be sent to the Registrar, and to every member of the society who, at the end of the financial year to which the balance sheet relates, holds shares in the society to a value exceeding one hundred dollars.

(12) Every society shall have at its office and open at all reasonable hours to inspection without fee a copy of the last balance sheet and revenue and appropriation account, together with the reports of the directors and the auditors.

(13) Every society shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting.

(14) Notwithstanding the provisions of subsection (13) of this section the directors of a society shall within thirty days from the date of registration of the society or from the date of any casual vacancy in the office of auditor, appoint one or more auditors who shall retire at the conclusion of the society's first annual general meeting following his or their appointment.

(15) The auditors of a society shall make a report to the members on the accounts examined by them, and on every balance sheet and every revenue and appropriation account laid before the society at the annual general meeting during their tenure of office.

(16) The auditors' report shall state whether the balance sheet and revenue and appropriation account are properly drawn up in accordance with the requirements of this Act, and whether, in the opinion of the auditors, they give a true and fair view—

"this Act"  
c.f. Act  
No. 30, 1918,  
S. 4.

- (a) in the case of the balance sheet, of the state of the society's affairs as at the end of its financial year; and
- (b) in the case of the revenue and appropriation account, of the income and expenditure of the society for its financial year.



(17) It is the duty of the auditors of a society, in preparing their report under this section, to carry out such investigations as will enable them to form an opinion as to the following matters—

- (a) whether the society has kept proper books of account;
- (b) whether the society has maintained a satisfactory system of control over its transactions and records, and, in particular, whether the requirements of paragraphs (b) and (c) of subsection (1) of this section have been complied with; and
- (c) whether the balance sheet and revenue and appropriation account are in agreement with the books of account and records of the society,

and if the auditors are of the opinion that the society has failed to keep proper books of account or to maintain a satisfactory system of control over its transactions and records, or if the balance sheet and revenue and appropriation account are not in agreement with the books of account and records of the society, the auditors shall state that fact in their report.

(18) Every auditor of a society—

- (a) shall have a right of access at all times to the books, accounts, records and vouchers of the society, and to all other documents relating to its affairs, including the deeds relating to property mortgaged to the society; and
- (b) shall be entitled to require from the officers of the society such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(19) If the auditors fail to obtain all the information and explanations which to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report.

(20) The auditors of a society are entitled—

- (a) to attend any general meeting of the society, and to receive all notices of and other communications relating to any general meeting which any member of the society is entitled to receive; and
- (b) to be heard at any meeting which they attend on any part of the business of the meeting which concerns them as auditors.

(21) Every society shall prepare an annual return relating to the affairs of the society for the previous financial year, in such form and containing such information as are prescribed, and each annual return shall be signed by two of the directors and by the manager or secretary of the society.

(22) A copy of every annual return shall be lodged with the Registrar within three months after the close of the financial year to which it relates or within such further time as the Registrar allows.

(23) The financial year of a society under this Act shall end—

- (a) in the case of a permanent society or a Starr Bowkett society, on the thirtieth day of April;
- (b) in the case of a terminating society, on the last pay day of the society in the month of April,

but this subsection does not apply to any society carrying on business at the date of the coming into operation of the Building Societies Act

Amendment Act, 1961, the financial year of which ends on a date other than that specified in this subsection. .

(24) Where the Registrar is satisfied that it is inappropriate to require a terminating society to comply with a provision of this section, he may, by notice in writing, and with the approval of the Minister, exempt the society from compliance with that provision but may grant the exemption upon such conditions as the Minister approves.

(25) Any exemption granted under subsection (24) of this section—

(a) may be granted to a particular terminating society or to all terminating societies; and

(b) may be revoked at any time by the Registrar with the consent of the Minister. .

S. 35  
amended.

23. Section 35 of the principal Act is amended—

(a) by adding after the section number, “35.” the subsection designation, “(1)” ; and

(b) by adding at the end thereof a subsection as follows—

(2) A person—

(a) who is an officer or servant of a society; or

(b) whose partner, employer or employee is an officer or servant of a society,

is not capable of being an auditor of any society for the purposes of this Act. .

S. 43  
amended.

24. Subsection (2) of section 43 of the principal Act is amended—

(a) by substituting for the words, “is party” in line three, the passage, “authorises, directs or consents”;

- (b) by substituting for the words, "ten pounds" in line five, the words, "two hundred dollars"; and
- (c) by substituting for the words, "ten pounds for every week" in lines six and seven, the words, "ten dollars for each day".

25. Subsection (1) of section 44 of the principal Act is amended by substituting for the words, "five pounds" in line nine, the words, "forty dollars".

S. 44  
amended.

26. Subsection (1) of section 45 of the principal Act is amended by substituting for the words, "twenty pounds" in line ten, the words, "two hundred dollars".

S. 45  
amended.

27. Section 46 of the principal Act is repealed and re-enacted as follows—

S. 46  
repealed and  
re-enacted.

46. (1) A society which or person who—

Failure to  
furnish  
returns, etc.

- (a) contravenes or fails to comply with any requirements of section thirty-four of this Act;
- (b) makes or causes to be made, any false entry or statement in a document required by this Act to be sent to the Registrar,

commits an offence.

Penalty: Two hundred dollars.

(2) Where a society is guilty of an offence against subsection (1) of this section, every director or other officer of the society shall be guilty of the like offence unless he proves that the offence was committed without his knowledge or that he used all due diligence to prevent the commission of the offence by the society. .

S. 47  
repealed and  
re-enacted.

28. Section 47 of the principal Act is repealed and re-enacted as follows—

Offences  
generally.

47. (1) Any society which or person who—

- (a) fails to comply with any of the requirements of this Act within the time or in the manner thereby provided; or
- (b) contravenes or fails to comply with any other provision of this Act,

commits an offence.

(2) Any society or person convicted of an offence against this Act is liable, where no penalty is expressly provided for the offence, to a penalty not exceeding one hundred dollars. .

S. 52  
repealed and  
re-enacted.

29. Section 52 of the principal Act is repealed and re-enacted as follows—

Regulations.

52. The Governor may make regulations for any purpose for which regulations are contemplated, permitted or required by this Act and in particular, but without limiting the generality of the foregoing, for—

- (a) prescribing the fees to be paid for the registration, inspection, and the copying or extracting of documents prepared under this Act;
- (b) prescribing the form of, and particulars to be included in, documents prepared under or for the purposes of this Act;
- (c) requiring societies to furnish to the Registrar particulars of any changes in the constitution of their committees of management; and
- (d) imposing penalties not exceeding fifty dollars for offences against the regulations. .