Annual Directors Report of

112. A balance sheet shall be made out in every year and laid before the Company in general meeting, made up to a date not more than three months before such meeting. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

Financial statement to be sent to members.

113. There shall be sent to each shareholder with the notice of the Annual Meeting and the report of the Directors a financial statement verified by the auditors showing fully and truly the income and expenditure (including the expenses of management) of the Company for the period audited and the liabilities and assets of the Company as at the date of the statement.

AUDIT

Accounts to be audited annually.

114. Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and the balance sheet ascertained by one or more competent Accountants who shall not be otherwise employed by the Company or be otherwise officers thereof.

Audit provisions.

115. The Company at each ordinary general meeting shall appoint an Auditor or Auditors to hold office until the next ordinary general meeting, and the following provisions shall have effect, that is to say:—

(a) If an appointment of Auditors is not made at an ordinary general meeting, the Lieutenant-Governor in Council may, on the application of any member of the Company, appoint an Auditor for the current year and fix the remuneration to be paid to him by the Company for his services;

(b) A Director or other officer of the Company shall not be capable of being appointed Auditor of the Company;

(c) A person other than a retiring Auditor shall not be capable of being appointed Auditor at an ordinary general meeting unless notice of an intention to nominate that person to the office of Auditor has been given by a shareholder to the Company not less than fourteen days before the meeting, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the shareholders either by advertisement or in any other mode allowed by the Articles not less than seven days before the meeting; provided that if after such notice of the intention to nominate an Auditor has been so given, and an ordinary general meeting is called for a day fourteen days or less after the notice has been given, the notice, though not given within the time required by this provision, shall be deemed to have been properly given for the purposes thereof, and the notice to be sent or given by the Company may, instead of being sent or given within the time required by this provision, be sent or given at the same time as the notice of the ordinary general meeting;

(d) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.

Remuneration of auditors.

116. The remuneration of the Auditors shall be fixed by the Company in general meeting, except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.