

by subscriptions of honorary members who were not in any case entitled to benefit from the funds, one half the income of which was to be applied for the benefit of girls in the school under fifteen and the other half of the income for relief in extraordinary cases not provided for by the general fund. The persons benefited were girls educated at the school, who also paid weekly contributions from the age of seven up to sixty-five, when all further payments ceased, and they then became entitled to a small annuity for the rest of their lives, the amount of which increased as they got older up to seventy. In 1845 the school was closed; and the only remaining beneficiaries were two women over 65 in receipt of annuities. There remained £1,901 of the fund contributed by the honorary members, and £304 of the fund contributed by the beneficiaries. Eady, J., held that after providing for the two current annuities the surplus of the £304 and the whole of the £1,901 belonged to the Crown as bona vacantia. The learned judge holds that the society was not a charity because the beneficiaries had a legal title to be paid the annuities out of the fund contributed by the beneficiaries, and that the contributions of the honorary members were absolute gifts to the society, in respect of which there would be no resulting trust in favour of the donors, and that the annuitants had no interest in the funds contributed by the honorary members.

COMPANY—WINDING UP—SURPLUS ASSETS—ACCUMULATED PROFITS—CUMULATIVE PREFERENTIAL SHARES—ARREARS OF PREFERENTIAL DIVIDENDS—NO DIVIDENDS DECLARED.

*In re Hall & Co.* (1901) 1 Ch. 521 was a winding up proceeding, in which there were surplus assets part of which consisted of accumulated profits. The company's capital consisted of common shares and cumulative preference shares, the latter having priority both as to capital and dividends, and the preferential dividend being payable before any profits could be carried to reserve. The articles provided that no dividend should be payable except out of profits and that in the event of winding up the surplus divisible assets should be applied first in repaying the preference capital, and secondly in paying arrears of the preferential dividends to the commencement of the winding up, the remainder of the assets to belong to the ordinary shareholders. No dividends were ever declared, but the profits accumulated till the company was wound up. Eady, J., held that