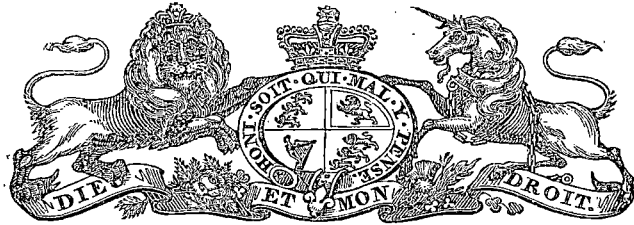


(No. 2.)



1892.

PARLIAMENT OF TASMANIA.

BANK OF VAN DIEMEN'S LAND, LIMITED :

DECLARATIONS OF MESSRS. JOHN PEARCE
AND W. H. BURGESS.

Presented to both Houses of Parliament by His Excellency's Command.



STATUTORY DECLARATIONS OF MESSRS. JOHN PEARCE AND
W. H. BURGESS, DIRECTORS OF "THE BANK OF VAN DIEMEN'S
LAND, LIMITED."

TASMANIA }
(TO WIT). }

I, JOHN PEARCE, of *Hobart, in Tasmania, Merchant*, do solemnly and
sincerely declare as follows:—

1. I HAVE read the printed Report of the Royal Commission appointed to enquire into the affairs of the Bank of Van Diemen's Land, Limited.

2. I was Chairman of the Board of Directors of the Bank at the time of the preparation and issue of the Balance-sheet of the thirtieth day of June, one thousand eight hundred and ninety-one, referred to in the Report of the Commission.

3. The said Balance-sheet was laid before the Board of Directors by the Manager of the Bank, at an ordinary meeting of the Board, on or about the ninth day of July, one thousand eight hundred and ninety-one.

4. The Balance-sheet was prepared in accordance with the usual practice by the officers of the Bank, and was certified as correct by the Manager and by the Accountant.

5. No information was given to the Directors as to any of the items in the Balance-sheet, nor was there any discussion thereon, but the Balance-sheet was received as correct on the faith of such certification as aforesaid. As Chairman of Directors I signed the Balance-sheet in the full belief that it was in every particular a true and accurate statement of the financial condition of the Bank on the thirtieth day of June, one thousand eight hundred and ninety-one.

6. After the receipt of the Balance-sheet the Directors took into consideration the disposition of the profits as shown by the Profit and Loss Account, and, as appears by the Minutes of the meeting of the Board, they affirmed the distribution of the profits shown by such Account in accordance with the Report submitted by the Manager, and, as Chairman of Directors, I signed the said Report.

7. With respect to the sum of five thousand pounds referred to in the fifth paragraph of the Report of the Commission, I say that my first knowledge of such a sum having been included in the item "Coin and Bullion, seventy thousand four hundred and thirty-one pounds twelve shillings and eleven pence," shown in the Balance-sheet, was derived from the Report of the Commission after the same had been printed.

8. With reference to the sum of thirty thousand pounds referred to in the sixth paragraph of the Report of the Commission, I say that I knew that the Bank had what was called an open credit on the London and Westminster Bank to a large amount, but I say that for the manner in which the entries respecting the same were passed through the books of the Bank, and for the said sum being placed under the proper item in the Balance-sheet, I relied solely upon the skilled professional knowledge of the Manager and the officers of the Bank.

9. With reference to the sum of thirty-five thousand pounds referred to in the eighth paragraph of the Report of the Commission, I say that I knew that the Bank had rediscounted with the Union Bank to the amount above mentioned, and that it had been for years the practice of the Bank to show such transactions in the same manner as this transaction is shown in the Balance-sheet, and I say that I relied on the known practice and the professional knowledge of the past and the then Managers and officers of the Bank as a sufficient warrant that such a method of showing the transaction was correct.

All which matters I conscientiously believe to be true; and I make this declaration under the provisions of "The Statutory Declarations Act, 1837."

JOHN PEARCE.

Taken and declared at Hobart aforesaid, this twenty-third
day of July, one thousand eight hundred and ninety-
two, before me,

JAMES H. B. WALCH, a *Justice of the Peace*.

TASMANIA }
(TO WIT.) }

I, WILLIAM HENRY BURGESS, of Hobart, in Tasmania, do hereby solemnly and sincerely declare as follows:—

1. I WAS a Director of the Bank of Van Diemen's Land, Limited, which lately stopped payment. I have read the Evidence and Report taken and made by the Commissioners by virtue of a Royal Commission recently appointed by the Government.

2. With reference to the Balance-sheets mentioned in the said Evidence and Report, I say that the following was the invariable practice at the half-yearly dates, namely:—The manager would bring into the board-room at the banking-house and lay before the Directors the manuscript of the Balance-sheet, certified to by himself and the Accountant of the Bank.

3. The Directors were not consulted either directly or indirectly with reference to any item or entry in the Balance-sheet, as they considered that the same, being certified to by the two responsible officers above mentioned, was reliable and correct in every particular. I have been informed and believe that this is the invariable practice adopted by banking institutions, the Directors never going beyond the report certified to them by the responsible officers of the Bank.

The Balance-sheet having been received and certified as above, the Directors then dealt with the disposition of the Profit and Loss Account. A copy of the Minutes of the meeting on the ninth day of July, one thousand eight hundred and ninety-one, are as follows:—

*Bank of Van Diemen's Land, Limited, Hobart,
Thursday, 9th July, 1891.*

MEETING OF THE BOARD OF MANAGEMENT.

Present: Messrs. John Pearce, W. H. Burgess, and the Manager.

Minutes.—The Minutes of the last meeting were read and confirmed.

Discounts.—22 bills, amounting to £1634 19s. 6d., were presented and passed for discount.

Profit and Loss Account.—Disposition—

The Manager submitted a disposition of the half-yearly balance of the Profit and Loss Account, which was affirmed by the Board, as under—

	£	s.	d.
Dividend at 9 per cent. per annum	11,250	0	0
Tax on ditto.....	421	17	6
Bad and doubtful debts	7000	0	0
Reserve Fund.....	2000	0	0
Reserved interest.....	578	16	9
Reserved for sundries.....	500	0	0
Balance to new Profit and Loss Account	5042	2	10
	<u>£26,792</u>	<u>17</u>	<u>1</u>

(Signed) JOHN PEARCE, *Chairman.*

4. With respect to the entry of five thousand pounds in the fifth paragraph of the Commissioners' Report, I was not aware that such an entry had been made until I read of it in the Report of the Commissioners.

5. As to the item of thirty thousand pounds mentioned in the sixth paragraph, I say that the first entry thereof was made when the London and Westminster Bank first granted the open credit, and when I was absent from the Colony. I relied upon the Manager and the Accountant of the Bank, as possessing a technical knowledge superior to that of the Directors, with reference to where the amount should be placed in the Report and Balance-sheet.

6. With respect to the entry of thirty-five thousand pounds mentioned in paragraph 8 of the Commissioners' Report, I say that I was made aware of the transaction, but I relied upon the knowledge which I had acquired as a Director of the Bank that for years previous it had been the invariable practice of the preceding Manager to show the transaction by the entry as appears in the Balance-sheet to which the Commissioners draw attention; but I considered that a practice which had been adopted, and, apparently, approved of by the officers above, was a sufficient warrant for placing the amount in the accounts during the time I was a Director of the Bank.

All which matters I conscientiously believe to be true; and I make this declaration under the provisions of "The Statutory Declarations Act, 1837."

W. H. BURGESS.

Taken and declared at Hobart aforesaid, this twenty-fifth day of July, one thousand eight hundred and ninety-two, before me,

ROBT. R. REX, *J.P.*