



Lands Improvement Company's Amendment Act 1969

CHAPTER xxv

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ELIZABETH II



1969 CHAPTER XXV

Act to extend the powers of the Lands Improvement Company to advance money; to confer further powers on the Company with regard to finance and administration ; and for other purposes.

[25th June 1969]

WHEREAS the Lands Improvement Company (hereinafter in this Act referred to as "the Company") were incorporated by the Lands Improvement Company's Act, 1853, 1853 c. cliv. for the purpose of undertaking and assisting the improvement, conversion and reclamation of land and provision was made in the said Act for facilitating the execution of such improvements and for carrying into effect the purposes of the said Act:

and whereas by Acts passed in the years 1855, 1859, 1863 and 1920 the Act of 1853 was amended and extended and further powers were conferred on the Company:

and whereas in pursuance of the said Acts the Company have advanced substantial sums of money to landowners for the purpose of carrying out improvements to their estates and property, such improvements being sanctioned in the case of property in England and Wales by the Minister of Agriculture,

Fisheries and Food and in the case of property in Scotland the Secretary of State for Scotland or by their respective predecessors and the money advanced being secured as charge on the property improved by charging orders made by the said Minister or the said Secretary of State or their respective predecessors:

And whereas the whole of the issued share capital of Company has been acquired by or on behalf of the Clerical Medical and General Life Assurance Society:

And whereas in recent years the Company have advanced money to landowners for purposes other than the improvement of their lands and advances have also been made to persons who are not absolute owners of the property, and doubts have arisen as to whether the Company are authorised to make such advances:

And whereas it is expedient and in the public interest to extend the powers of the Company to advance money for such purposes and to such persons and it is expedient to resolve any doubts as to the validity of the existing advances:

And whereas it is expedient that the other powers contained in this Act should be conferred on the Company and that the other provisions contained in this Act should be enacted:

And whereas the purposes of this Act cannot be effected 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:—

PART I

PRELIMINARY

1.—(1) This Act may be cited as the Lands Improvement Company's Amendment Act 1969.

(2) This Act and the Lands Improvement Company's Acts, 1853 to 1920, may be cited together as the Lands Improvement Company's Acts, 1853 to 1969.

2. This Act is divided into Parts as follows:—

- Part I.—Preliminary.
- Part II.—Extension of powers.
- Part III.—Finance.
- Part IV.—Administration.
- Part V.—General.

Short and collective titles.

Division of Act into Parts.

PART I
—cont.

Incorporation
of Companies
Clauses Acts.
1845 c. 16.

1863 c. 118.

(1) The following enactments so far as the same are applicable to the purposes and are not inconsistent with the provisions of this Act are hereby incorporated with this Act (namely):—

(a) the Companies Clauses Consolidation Act, 1845 (except the provisions thereof with respect to the conversion of borrowed money into capital);

(b) the Companies Clauses Act, 1863 (except the provisions thereof which limit the rate of dividend on preference capital, sections 17 to 21 and Part IV thereof):

Provided that—

(i) section 14 of the said Act of 1863 shall have effect as if the words “out of the profits of each year” and the words “but if in any year” to the end of the section were omitted;

(ii) section 22 of the said Act of 1863 shall have effect as if the words “and to the same amount as” were omitted;

(iii) section 25 of the said Act of 1863 shall have effect as if for the words “ten thousand” there were substituted the words “one hundred thousand”; and

(iv) section 31 of the said Act of 1863 shall have effect as if after the words “other than” there were inserted the words “in the case of holders of perpetual debenture stock”.

(2) The provisions of the Companies Clauses Consolidation Act, 1845, and of the Companies Clauses Act, 1863, as incorporated with this Act by the foregoing subsection shall be deemed to be incorporated with each of the Acts comprising the Lands Improvement Company's Acts, 1853 to 1920, and shall apply to any capital raised thereunder and as from the passing of this Act such of the provisions of those Acts as are inconsistent with those of the said Acts of 1845 and 1863 as so incorporated and modified shall cease to have effect.

(1) In this Act the following words and expressions have several meanings hereby assigned to them respectively unless there be something in the subject or context repugnant to such construction (that is to say):—

“the Company” means the Lands Improvement Company;

“the directors” means the directors of the Company;

“enactment” means any provision of a public general Act, of a local private or personal Act, of a provisional order confirmed by an Act or of any regulation or order made under an Act;

“share” means share in the share capital of the Company and includes stock except where a distinction between

Interpretation.

PART I
—cont.

stock and shares is expressed or implied and "share capital" and "shareholder" shall be construed accordingly;

"the undertaking" means the undertaking of the Company as for the time being existing.

(2) Any reference in this Act to any enactment shall be construed as a reference to that enactment as applied, extended, amended or varied by or by virtue of any subsequent enactment including this Act.

PART II

EXTENSION OF POWERS

Extension of Company's powers to advance money.

5.—(1) The Company shall have power after the passing of this Act to make advances out of their funds upon the security of an estate or interest in or in the proceeds of sale of agricultural land (whether with or without other security) to such persons of such amounts and upon such terms whatsoever as the Company shall think fit and without limitation as to the purpose for which any such advance may be required.

(2) The power conferred on the Company by this section shall be in addition to and independent of the powers to make advances conferred on the Company by the Lands Improvement Company Acts, 1853 to 1920.

(3) In this section "agricultural land" includes—

- (a) land used for arboriculture, horticulture, fruit growing, seed growing, dairy farming and the breeding and keeping of livestock (including any creature kept for the production of food, wool, skins or fur, or for the purpose of its use in the farming of land);
- (b) land used as grazing land, meadow land, osier land or as market gardens or nursery grounds;
- (c) woodlands;
- (d) park land, gardens and pleasure grounds;
- (e) land kept or preserved for the purposes of sport or recreation or used as a racecourse.

For the purposes of this definition—

- (i) land intended to be used as agricultural land shall be deemed to be agricultural land; and
- (ii) any building or structure on or under agricultural land shall be deemed to be part of the land.

Validation of certain advances.

6.—(1) Any advance made by the Company before the date of the passing of this Act which on that date is still outstanding either in whole or in part and which, if it had been made after

ing of this Act, would have been within the power conferred on the Company by the last foregoing section and any securities taken by the Company in respect of such advance shall, notwithstanding anything to the contrary contained in any other enactment, be deemed to be as valid and as fully enforceable as if on the date on which the advance was made or the securities were taken (as the case may be) this Act had been in force and the said power had been duly exercised.

Subsection (1) of this section shall not apply in relation to money advanced or any security taken by the Company in respect of which an action has been brought by the Company and not finally disposed of before the 22nd day of November, 1969, for the payment of the whole or any part of the principal or of any interest alleged to be due thereon.

PART III

FINANCE

(1) The Company may, without obtaining a certificate of Power to borrow under section 40 of the Companies Clauses Consolidation Act, 1845, raise money for the purposes of the undertaking, either by borrowing on mortgage of the undertaking, or by the creation and issue of debenture stock, or partly by one of those modes and by the other.

(2) The powers conferred on the Company by this section to raise money by borrowing on mortgage of the undertaking or by the creation and issue of debenture stock shall be in addition to and not in derogation of the powers to borrow money on mortgage conferred on the Company by the Lands Improvement Company's Amendment Act, 1855, and the Lands Improvement Company's Amendment Act, 1859.

1845 c. 16.
1855 c. lxxxiv.
1859 c. lxxxii.

(1) The Company may raise all or any part of the money which for the time being they are authorised to raise on mortgage of the undertaking or by the creation and issue of debenture stock or by the issue of mortgage debentures—

Unsecured loans.

(a) by borrowing without giving any security, or

(b) by the creation and issue of unsecured loan stock,

such times, in such amounts and manner, on such terms and conditions, and with such rights and privileges, as the Company may think fit.

(2) Any unsecured loan stock issued by the Company under this section may be issued as redeemable stock and the provisions of section 16 (Redeemable preference shares and stock and debenture) of this Act shall apply to such redeemable stock as if it were stock (as defined in that section).

PART III
—cont.

Limitation on amount to be raised under last two preceding sections.

9. The aggregate amount of the money which may be raised by the Company by—

- (a) borrowing on mortgage of the undertaking or by the creation and issue of debenture stock under section 7 (Power to borrow) of this Act;
- (b) the issue of mortgage debentures; and
- (c) borrowing without security or by the creation and issue of loan stock under section 8 (Unsecured loans) of this Act;

shall not exceed in the whole (when added to any money raised by any of those methods and which is for the time being standing) twenty million pounds.

Company may incur temporary loans.

10. In addition to the powers to borrow money conferred by section 7 (Power to borrow) and section 8 (Unsecured loans) of this Act and to the power to issue mortgage debentures, the Company may borrow, by way of overdrafts from banks or otherwise, such sums as they may temporarily require.

Saving for powers of Treasury.

1946 c. 58.

11. It shall not be lawful to exercise the powers of borrowing conferred by this Act otherwise than in compliance with the provisions of any order for the time being in force made under section 1 of the Borrowing (Control and Guarantees) Act, 1946.

Debenture stock.

1863 c. 118.

12. The Company may create and issue debenture stock subject to the provisions of Part III of the Companies Clauses Act, 1863 as amended in its application to the Company but notwithstanding anything therein contained the interest of all debenture stock created and issued by the Company under this Act or any subsequent Act shall, subject to the provisions of any subsequent Act, rank pari passu (without respect to the dates of the securities of the Act or resolutions by which the debenture stock was authorised).

Notice of the effect of this section shall be endorsed on certificates of debenture stock issued after the passing of this Act.

Priority of mortgages and debenture stock over other debts.

13. All money to be raised by the Company on mortgage or by the creation and issue of debenture stock under the provisions of this Act shall have priority against the Company and the property of the Company from time to time of the Company over all other claims on account of any debts incurred or engagements entered into by them since the passing of this Act:

Provided that this priority shall not affect any claim of the Company or their property in respect of any rent or sum reserved or to be granted by them in pursuance of the Companies Clauses Acts or in respect of any rent or sum reserved.

payable under any lease granted or made to or vested in the Company which is entitled to rank in priority to or pari passu with the interest on their mortgages or debenture stock.

14. The mortgagees of the undertaking may enforce payment of arrears of interest or principal or principal and interest due on their mortgages by the appointment of a receiver. In order to authorise the appointment of a receiver in respect of arrears of principal the amount owing to the mortgagees by whom the application for a receiver is made shall not be less than one hundred thousand pounds or one-tenth of the amount for the time being borrowed by the Company on mortgage of the undertaking (whichever is the less). Appointment of receiver.

(1) The Company may apply to any of the purposes of this Act any money which they have raised or are authorised to raise under the Lands Improvement Company's Acts, 1853 to 1969. Application of money.

All money raised under the Lands Improvement Company's Acts, 1853 to 1969, including premiums shall be applied only to purposes to which capital is properly applicable and any sum of money which may arise by way of premium from the issue of capital under the provisions of those Acts shall not be considered as part of the capital of the Company entitled to dividend.

6.—(1) In this section unless the context otherwise requires— Redeemable preference shares and stock and debenture stock.
"stock" means preference stock and debenture stock;
"preference stock" includes preference shares;
"issue" includes reissue;
"redeemable stock" means stock issued under the powers of this section so as to be redeemable;
"redeemed stock" means any redeemable stock which has been redeemed and is available for issue under the provisions of this section.

(2) Subject to the provisions of this section the directors may from time to time by virtue of this Act and without further or other sanction issue so as to be redeemable any stock created by the Company after the passing of this Act and any redeemed stock.

Provided that no redeemed stock shall be issued except for the purpose of effecting the redemption of redeemable stock under the provisions of this section unless the issue is authorised by a resolution of a general meeting of the Company.

Redeemable stock may be redeemed out of revenue or out of capital and such redemption may be effected by purchase as provided for in subsection (8) of this section or by paying off the

PART III
—cont.

stock or by issuing to the holder of the stock other stock in substitution therefor and for the purpose of raising money to pay off or of providing stock in substitution for any redeemable stock the Company may create new stock or the directors may issue any redeemed stock so as to be redeemable or irredeemable as they may think fit:

Provided that—

- (i) no new stock shall be created nor shall any redeemable stock be issued so as to make the total amount of any particular class of stock exceed the amount of stock of that particular class which the Company are for the time being authorised to create except during an interval of three months between the creation or (in the case of redeemed stock) the issue of the stock and completion of the redemption of the redeemable stock for the purpose of redeeming which the stock of such particular class is proposed to be so created or issued;
- (ii) during such interval as aforesaid the amount raised by means of any stock so created or issued shall for the purpose of any enactment regulating the borrowing powers of the Company be deemed not to have been raised.

(4) The redemption of any preference stock issued so as to be redeemable shall not affect the validity of any mortgage or debenture stock if the grant or issue thereof by the Company was lawful in the circumstances existing at the date of grant or issue.

(5) Redeemable stock shall be redeemable at such time and in such manner and subject otherwise to such terms and conditions as the directors may before the issue thereof determine:

Provided that the terms and conditions of redemption upon which any redeemable stock is issued shall be stated in any offer by the Company of such stock for subscription and in the certificate of such stock and no term or condition of redemption which is not so stated shall be binding upon the holder of the stock.

(6) Any discount allowed on the issue or any premium payable on the redemption of any redeemable stock may be written off out of revenue.

(7) For the purpose of any enactment relating to stamp duty the share capital of the undertaking shall be deemed not to have been increased by the issue or in the case of the creation of new stock under subsection (3) of this section by the creation and issue of share capital in pursuance of this section for the purpose of redeeming preference stock except to such extent (if any) as the aggregate nominal amount of any share capital issued or created

and issued as aforesaid shall exceed the nominal amount of the preference stock to be redeemed so long as the preference stock to be redeemed is redeemed before the expiration of such an interval as is mentioned in the provisos to subsection (3) of this section.

(8) (a) The Company may from time to time set aside out of revenue after providing for the payment of interest on any mortgages, mortgage debentures or debenture stock and for other fixed charges and obligations such sums as the Company consider proper for the purpose of redeeming any redeemable stock and which under the terms of the issue thereof is redeemable wholly partly in cash and the Company may invest any sums so set apart and the income thereof in any securities (not being securities of the Company).

(b) All sums so set aside shall be applied in or towards the redemption of any redeemable stock for the redemption of which they may have been so set aside or may if the directors think fit be at any time applied in the purchase of any such redeemable stock at a price not exceeding the redemption price.

(1) The Company shall have power to pay a commission Power to pay any person in consideration of his subscribing or agreeing to underwriting subscribe whether absolutely or conditionally for any share or commission in capital to be offered for subscription by the Company or his and procuring or agreeing to procure subscriptions whether absolute brokerage. or conditional therefor if—

(a) the commission paid or agreed to be paid does not exceed 10 per cent. of the price at which the capital is issued; and

(b) the amount or rate per centum of the commission paid or agreed to be paid is disclosed in every prospectus, advertisement or other document published by the Company relating to the offer of the capital for subscription.

(2) The Company shall have power to pay such brokerage as is customary.

18. All ordinary and preference stock, debenture stock and Minimum secured loan stock of the Company shall be issued and be holdings of held in amounts of one pound or of a multiple of one pound stock and and not otherwise and the Company shall not be under any debenture obligation to register a transfer of any ordinary or preference stock. stock or unsecured loan stock which would the holding (if any) of the transferor or transferee an amount be the holding (if any) of the transferor or transferee an amount more than one pound or a multiple of one pound of ordinary or more than one pound or a multiple of one pound of ordinary or preference stock, debenture stock or unsecured loan stock. preference stock, debenture stock or unsecured loan stock.

PART IV
ADMINISTRATION

Notices of meetings.
1845 c. 16.

19. Notwithstanding anything in the Companies Cl... Consolidation Act, 1845, notice of all meetings of the Compa... whether ordinary or extraordinary may (if the director... determine) be given by a prepaid letter sent by post to e... shareholder instead of by public advertisement:

Provided that—

- (a) any such letter shall be directed according to registered address of each shareholder and posted no later than seven clear days before the date of the meeting and
- (b) in proving that any such notice has been given it shall be sufficient to prove that the letter containing the notice was properly addressed and posted as a prepaid letter not later than the time prescribed by this section.

Annual general meeting and yearly accounts.

20. Notwithstanding anything in the Companies Clauses Consolidation Act, 1845, or in any enactment relating to it Company the ordinary general meeting of the Company shall be held in each year in the month of March or at such other time... at such place as the directors may from time to time appoint... it shall not be obligatory on the Company to hold half-yearly meetings or to balance their books half-yearly or to make up a balance sheet half-yearly.

Directors not to be disqualified from holding offices of profit or entering into contracts.

21.—(1) Notwithstanding anything in the Companies Clauses Consolidation Act, 1845, a director shall not be disqualified by his office from—

- (a) holding any office or place of trust or profit (other than that of auditor) under the Company or any company promoted by the Company or in which the Company is interested; or
- (b) being interested in any contract with the Company or with any company of which the Company is a shareholder on his own behalf or as a member of any other company or any corporation or partnership:

Provided that if a director or any company, corporation or partnership of which he is a member be or become interested in any contract with the Company or with any company of which the Company is a shareholder (whether such interest shall arise before or after his appointment as a director) the nature of his interest or of the interest of such company, corporation or partnership in the contract shall be disclosed by him at the meeting of the directors at which the contract is determined his or their interest then exists or in any other case at the meeting of the directors after the acquisition of his or

or after his appointment. For the purposes of the proviso to this subsection a general notice given to the directors by one of them to the effect that he is a member of any specified company, corporation or partnership and is to be regarded as interested in any contract which may after the date of the notice made with that company, corporation or partnership shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

No director shall as a director vote in respect of any contract in which he is interested and if he does so vote his vote shall not be counted:

Provided that—

this subsection shall not apply to—

(i) a contract with any other company in which he is interested only as a director or officer of such other company or as a holder of shares or other securities of such other company; or

(ii) a contract by or on behalf of the Company to give to the directors or any of them security by way of indemnity;

(c) for the purpose of determining whether there is a quorum a director shall be treated as being present at a meeting notwithstanding that under the foregoing provisions of this subsection he cannot vote.

A director who by reason of the foregoing provisions of this section is not disqualified from holding office shall not be liable to account to the Company for any profit realised as a result of holding any such office or place of trust or profit as is mentioned in paragraph (a) of subsection (1) of this section or any such contract as is mentioned in paragraph (b) of the said subsection by reason of such director holding that office or the fiduciary relationship thereby established.

(1) The Company shall annually appoint one or more Auditors, accountants or a firm of accountants to be the auditor or auditors of the Company.

(2) It shall not be necessary for any auditor of the Company to hold any shares in the capital of the Company.

PART V GENERAL

In the application of this Act to Scotland—

(a) the words "park land" in paragraph (d) of subsection (3) of section 5 (Extension of Company's powers to advance money) shall be construed as a reference to policies and policy parks;

Application
of Act to
Scotland.

PART V
—cont.

(b) the reference in section 14 (Appointment of receiver) to "a receiver" shall as regards charges on lands in Scotland be construed as a reference to a judicial factor.

Amendments
and repeals.
1853 c. cliv.

24.—(1) The amendments specified in the second column of Part I of the Schedule to this Act shall be made in the provision of the Lands Improvement Company's Act, 1853, specified in the first column of the said Part.

1920 c. xi.

(2) The provisions of the Lands Improvement Company Act, 1853, and the Lands Improvement Company's Amendment Act, 1920, specified in the first column of Part II of the Schedule to this Act are hereby repealed to the extent specified in the second column of the said Part.

Costs of Act.

25. All costs, charges and expenses preliminary to and incidental to the applying for and the preparing, obtaining and passing of this Act shall be paid by the Company and in whole or in part be defrayed out of revenue.

SCHEDULE

AMENDMENTS AND REPEALS

Section 24.

PART I

AMENDMENTS

Enactment (1)	Amendment (2)
The Lands Improvement Company's Act, 1853— Section IX (Requisitions for extra-ordinary meeting) Section X (Quorum for general meeting)	For the word " Ten " there shall be substituted the word " Six ". For the word " Ten " there shall be substituted the word " Six ".

1853 c. cliv.

PART II

REPEALS

Enactment (1)	Extent of repeal (2)
The Lands Improvement Company's Act, 1853— Section XI (General meeting may remove directors and auditors) Section XVIII (Days for balancing books) Section XXXIV (In case of contracts, &c., advertisements or consent of inclosure commissioners not required)	So much of the section as relates to the removal and appointment of an auditor. The whole section. The words " but in such case the Company shall not issue any mortgage debenture founded upon such contract, charge or security ".
Lands Improvement Company's Amendment Act, 1920— Section 9 (Increase of capital) ... Section 13 (Auditors) ...	The proviso to subsection (1). The whole section.

1920 c. xi.

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