
STATUTORY INSTRUMENTS

1978 No. 986

WATER, ENGLAND AND WALES

The Cambridge Water (No. 2) Order 1978

Made - - - - - 13th July 1978

Coming into Operation 1st August 1978

The Secretary of State for the Environment, in exercise of powers conferred by section 23 of the Water Act 1945(a) and now vested in him(b) and of all other powers enabling him in that behalf hereby orders as follows:—

1.—(1) This order may be cited as the Cambridge Water (No. 2) Order 1978 and shall come into operation on 1st August 1978. Citation and commencement.

(2) This order shall be included among the enactments which may be cited together as the Cambridge Water Acts and Orders 1853 to 1978.

2.—(1) In this order unless the context otherwise requires— Interpretation.

“the Company” means the Cambridge Water Company;

“the Secretary of State” means the Secretary of State for the Environment;

“share” means share in the share capital of the Company and includes stock except when a distinction between stock and shares is expressed or implied and “share capital” shall be construed accordingly;

“the undertaking” means the undertaking of the Company as for the time being authorised by any enactment.

(2) Except where the context otherwise requires, references in this order to any enactment shall be construed as references to that enactment as amended by any subsequent enactment, including this order.

3.—(1) The Companies Clauses Consolidation Act 1845(c), except sections 56 to 60 (which relate to the conversion of borrowed money into capital), section 145 (which relates to the publication of penalties) and sections 161 and 162 (which provide for affording access to the special Act) and the Companies Clauses Act 1863(d) except Part IV (which relates to change of name) are, so far as applicable for the purposes of and subject to the provisions of this order, hereby incorporated with this order. Incorporation of enactments.

Provided that—

(a) section 98 of the said Act of 1845 (which relates to the entry of proceedings in books) as so incorporated shall have effect as if after the words “shall be signed by the Chairman of such

(a) 1945 c. 42.
(c) 1845 c. 16.

(b) S.I. 1951/142, 1900, 1970/1681.
(d) 1863 c. 118.

meeting" there were inserted the words "or of the next succeeding meeting of the Directors";

(b) section 14 of the said Act of 1863 (which relates to dividends on preference capital) as so incorporated shall have effect as if—

(i) after the words "each year" there were inserted the words "or out of the profits from previous years available for payment of dividends or partly out of the one and partly out of the other"; and

(ii) before the words "profits available" there were inserted the word "such";

(c) section 22 of the said Act of 1863 (which contains regulations as to the creation and issue of debenture stock) as so incorporated shall have effect as if the words "and to the same amount as" were omitted.

(2) In the construction of the enactments so incorporated with this order the expression "the special Act" shall mean this order and the expression "the company" shall mean the Company.

(3) For the purpose of this order, section 94 of the Third Schedule to the Water Act 1945 (which requires undertakers to keep a copy of the special Act at their principal office and to deposit copies with certain officers) shall apply to the undertaking and is hereby incorporated with this order.

Capital and
borrowing
powers.

4.—(1) Subject to and in accordance with the provisions of this order, the Company may from time to time raise by the creation and issue of share capital or by borrowing on mortgage of the undertaking or by the creation and issue of debenture stock, or wholly or partly by any one or more of those modes respectively, such sums as, when added to any money raised by the issue of share capital before the commencement of this order or borrowed by the issue of loan capital before the commencement of this order and in either case outstanding at the date or respective dates on which the Company exercise the powers of this section, shall be sufficient to produce in the aggregate twenty million pounds.

(2)(a) The Company may raise sums by the creation and issue of share capital under subsection (1) of this section by the creation and issue of ordinary shares or preference shares or wholly or partly by one or more of these modes respectively;

(b) for the purposes of this section the amount raised or to be raised by the issue of any share capital shall be taken to be the amount which has been or will be raised, as the case may be, after taking into account any premiums or discounts which may be obtained or allowed on the issue or re-issue thereof.

(3)(a) For the purposes of this section the Company may, without obtaining any certificate of a justice under section 40 of the Companies Clauses Consolidation Act 1845, borrow money on mortgage of the undertaking:

Provided that the aggregate of any sums borrowed shall not (when added to any money borrowed on mortgage or raised by the creation and issue of debenture stock by the Company and still outstanding at the date or respective dates on which the Company exercise the powers of this section) exceed in the whole

(i) twice the amount (including premiums and allowing for discounts) which for the time being has been raised by the Company by the issue of share capital; and

(ii) with the consent of the Secretary of State an additional amount not exceeding ten per cent. of such first-mentioned amount;

(b) for the purposes of this subsection the nominal amount of any ordinary or preference shares which have been or shall hereafter be issued for a consideration other than cash shall be deemed to have been raised by the Company by the issue of such ordinary or preference shares, as the case may be;

(c) for the purposes of this subsection the sum of one hundred and thirty-eight thousand three hundred and eight-nine pounds added on the conversion of the existing ordinary stocks under the Cambridge Waterworks Order 1953(a) shall be deemed to have been raised by the Company by the issue of ordinary stock.

(4) The Company shall not pay interest on any moneys borrowed or debenture stock issued under this section at a higher rate than seven per cent. per annum or such higher rate as the Secretary of State may from time to time allow:

Provided that the consent of the Secretary of State shall not be required to the payment of interest on moneys borrowed by the Company on mortgage of the undertaking or by the issue of debenture stock at a rate higher than seven per cent. per annum if the rate is a fixed rate and is certified to the Company as being appropriate in the circumstances of the case by—

(a) the firm of stockbrokers, being members of a recognised stock exchange (as defined in the Prevention of Fraud (Investments) Act 1958(b), or the bankers who placed the mortgage or placed or underwrote the issue of debenture stock; or

(b) in the case of the raising of money on mortgage, an accountant or firm of accountants being either duly appointed auditor or auditors of the Company or a person qualified to be so appointed.

(5) The unexercised powers of the Company for raising money by the creation and issue of additional share capital under the Cambridge Water Acts and Orders 1853 to 1977 shall cease to be exercisable.

5.—(1) Subject to the provisions of this section the Company shall not in respect of any year pay dividends on their paid-up share capital at rates greater than the following rates— Maximum rates of dividend.

(a) on capital subscribed before the date of coming into operation of this order, the rates which the Company were entitled to pay thereon immediately before the said date;

(a) S.I. 1953/965.

(b) 1958 c. 45.

(b) on capital subscribed on or after the coming into operation of this order, as follows—

- (i) in the case of ordinary capital subscribed during the initial period, ten per cent. and, in the case of ordinary capital subscribed thereafter seven per cent. or such higher rate, not exceeding ten per cent. as the Secretary of State may in respect of any subscription allow; or
- (ii) in the case of preference capital subscribed during the initial period twelve per cent. and, in the case of preference capital subscribed thereafter seven per cent. or such higher rate, not exceeding twelve per cent. as the Secretary of State may in respect of any subscription allow.

In this subsection “the initial period” means the period of five years beginning with the commencement of this order.

(2) Nothing in the foregoing subsection shall prevent the payment of a greater dividend on so much of the paid-up share capital as is issued as ordinary capital (including the substituted stock created by section 4 (Conversion of existing stocks) of the Cambridge Waterworks Order 1953) in order to make up deficiencies in previous dividends:

Provided that as respects ordinary capital created or subscribed after 18th June 1953 and that referred to in sub-paragraph (b)(i) of subsection (1) of this section this subsection shall apply only in respect of deficiencies arising during the last five years before the year in respect which a dividend is being paid.

Share capital issued under order to be part of general capital.

6. Except as by this order otherwise provided any share capital created and issued by the Company under the powers of this order shall be part of the general capital of the Company and the shares or stock therein and the holders thereof respectively shall in proportion to the amount of their shares or stock be entitled to the like rights of voting and any other rights, qualifications and privileges and be subject to the like provisions and liabilities as if that capital were part of the capital of the Company created and issued under the Cambridge Water Acts and Orders 1853 to 1977 of the same class or description and the shares or stock were shares or stock in that capital.

Application of provisions of Cambridge Waterworks Order 1953.

7. The following provisions of the Cambridge Waterworks Order 1953 shall, with any necessary modifications, extend and apply to the exercise of the powers of this order as if re-enacted herein—

Section 15 (Debenture stock);

Section 16 (Priority of money raised on mortgage or debenture stock);

Subsection (2) of section 17 (Appointment of receiver).

Application of money.

8. All money raised under the Cambridge Water Acts and Orders 1853 to 1978, 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 share capital under the

provisions of this order shall not be considered as part of the capital of the Company entitled to dividend.

9. The enactments specified in column (1) of the Schedule to this Repeals order are hereby repealed to the extent shown in column (2) thereof.

10. The costs, charges and expenses of and incidental to the application for and the preparation and making of this order may in whole or in part be defrayed out of revenue. Costs of order.

SCHEDULE
ENACTMENTS REPEALED

Enactment (1)	Extent of repeal (2)
Cambridge University and Town Waterworks Act 1910(a)	Section 27 (Power to Company to raise additional capital); Section 29 (Incidents of shares or stock); Section 33 (Dividends on new shares or stock).
Cambridge Waterworks Order 1953	Section 4 (Conversion of existing stocks); Section 5 (Fractional parts of one pound of stock); Section 6 (Company's books to be evidence as to holders of existing stocks); Section 7 (Exchange of certificates); Section 8 (Transfers of existing stock to operate as transfers of substituted stock); Section 10 (Additional capital); Section 11 (Additional capital to be part of general capital); Section 12 (Maximum rates of dividend); Section 20 (Amendment of section 27 of the Act of 1910).
Cambridge Waterworks Order 1959(b)	Section 6 (Additional capital).

(a) 1910 c. cviii.

(b) S.I. 1959/1131.

SCHEDULE

ENACTMENTS REPEALED

Enactment (1)	Extent of repeal (2)
Cambridge Waterworks (No. 2) Order 1962(a)	Section 4 (Additional capital); Section 7 (Power to borrow).
Cambridge Water Order 1967(b)	Subsection (4) of section 3 (Amendment of enactments).
Cambridge Water Order 1969(c)	The whole order.
Cambridge Water Order 1972(d)	Section 4 (Power to raise additional capital); Section 6 (Maximum rates of dividend); Section 7 (As to rate of interest on borrowed money); Section 8 (Application of money); Section 9 (Amendment and repeal of enactments).

D. C. Musgrave,

An Under Secretary in the
Department of the Environment.

Signed by authority of
the Secretary of State

13th July 1978.

(a) S.I. 1962/2130.
(c) S.I. 1969/1766.

(b) S.I. 1967 36.
(d) S.I. 1972/594.