



## CHAPTER lxx.

An Act to provide for the reduction and rearrangement of the capital of the Kent Electric Power Company and for other purposes. A.D. 1913.  
[15th August 1913.]

**W**HEREAS by the Kent Electric Power Act 1902 (in this Act referred to as "the Act of 1902") the Kent Electric Power Company (in this Act called "the Company") were incorporated and authorised to supply electricity subject to the provisions of that Act within the county of Kent other than the Isle of Thanet for the purposes and subject to the conditions and restrictions in that Act mentioned and the capital of the Company authorised by that Act was seven hundred and fifty thousand pounds in seven hundred and fifty thousand shares of one pound each:

And whereas by the Kent Electric Power Act 1906 (in this Act referred to as "the Act of 1906") the directors of the Company were empowered if so authorised by resolution of the Company in general meeting to raise any capital authorised to be raised under the Act of 1902 in the same manner and on such terms and conditions and with such rights and privileges as if such capital were additional capital authorised to be raised and it was provided that Part II. of the Companies Clauses Act 1863 as amended by the Companies Clauses Act 1869 relating to additional capital should apply to any capital so to be raised as if such capital was additional capital within the meaning of such Acts:

And whereas by section 36 of the Act of 1906 it was enacted that the Company might at any time after the date of the passing of the Act of 1906 by resolution passed by a majority of three fourths of the shareholders present in person or by proxy at a meeting of the Company held within three months before the issue of any shares in the Company determine that such

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shares should upon the issue thereof form part of any then existing class or classes of shares or should form a separate class of shares and also that the Company might by any such resolution assign or allocate to any class or classes of shares the profits of the Company derived from any particular portion or portions of the undertaking of the Company in priority to any other class or classes of shares in the Company whether then existing or to be in future created and either wholly or to such extent as might be prescribed by such resolution and for such purpose might divide the profits of the Company :

And whereas under the powers of the Act of 1902 the Company have issued two hundred and twenty-five thousand shares of one pound each all of which are fully paid up and eighteen shares of one pound each on each of which the sum of five shillings only has been paid :

And whereas under the powers of the Act of 1906 the Company have issued seventeen thousand six hundred and twenty-three shares of one pound each (in this Act referred to as "the priority shares") carrying the right to a cumulative preferential dividend at the rate of six per centum per annum :

And whereas resolutions have from time to time been passed allocating to the said priority shares so much of the net profits derived from certain portions of the Company's undertaking as may be necessary to pay a yearly cumulative preferential dividend of six per centum in priority to all existing shares of the Company :

And whereas under the powers of the Act of 1902 the Company have created and issued debenture stock to the amount of seventy-five thousand pounds :

And whereas by an agreement dated the twelfth day of March one thousand nine hundred and eight and made between the Kent Electric Power Syndicate Limited of the first part the Company of the second part George Sitwell Campbell Swinton and John Francis Albright of the third part and the several persons (being shareholders of the Company) whose names were set forth in the first column of the Second Schedule thereto the Kent Electric Power Syndicate Limited released all claim to seventy thousand of the shares issued under the Act of 1902 which had been issued to the said George Sitwell Campbell Swinton and John Francis Albright as trustees upon trust to transfer the same to the said syndicate upon the completion of

certain works which the said syndicate had contracted to carry out for the Company and it was among other things agreed that during a period of thirty years from the thirty-first day of December one thousand nine hundred and seven the total amount of all dividends which but for the provisions of that agreement would be payable within that period by the Company in respect of the shares then held by the said syndicate and the said trustees and the parties thereto of the fourth part should be applied in the first place in payment to the holders for the time being of thirty-five thousand of the said shares numbered 65,001 to 100,000 inclusive (in this Act referred to as "the preferred ordinary shares") of a cumulative preferential dividend of six per centum per annum on the nominal amount of such shares and the surplus thereof if any should be divided annually in proportion to the nominal amount of their respective holdings amongst the holders for the time being of the remainder of the said shares other than the seventy thousand shares released by the said syndicate (all of which remaining shares are in this Act referred to as "the deferred ordinary shares") and provisions were made by the said agreement for the transfer and for division among the shareholders of the preferred ordinary shares and the deferred ordinary shares in the proportions therein mentioned :

And whereas the said seventy thousand shares released by the said syndicate and the remainder of the ordinary shares of the Company already issued and not affected by the said agreement are in this Act referred to as "the common ordinary shares" :

And whereas no dividends have since the date of the said agreement been distributed upon the shares of the Company affected thereby :

And whereas by the West Kent Electric Power Act 1909 certain powers of the Company within the area of supply in that Act mentioned were transferred to and vested in the West Kent Electric Company Limited :

And whereas by the East Kent Electric Power Act 1911 certain powers of the Company within the area of supply in that Act mentioned were transferred to and vested in the South East Kent Electric Power Company Limited :

And whereas a considerable part of the issued capital of the Company has been lost or is not represented by available assets and it is impossible for the Company to raise further

A.D. 1913. — capital by the issue of their shares unless the capital of the Company already issued is reduced and it is accordingly expedient that the issued capital of the Company should be reduced and that for the purpose of effecting such reduction the shares of the Company already issued under the powers of the Act of 1902 should be surrendered and cancelled and that in lieu thereof there should be issued to the respective shareholders a reduced number of ordinary shares of the Company :

And whereas no debenture stock has been issued by the Company in respect of the priority shares and the Company have not exercised the power conferred by section 38 (As to borrowing power of Company) of the Act of 1906 and it is expedient that the provisions of that section be repealed and that the provisions hereinafter contained with reference to the borrowing of money by the Company be made :

And whereas the objects aforesaid cannot be attained without the authority of Parliament :

May it therefore please Your Majesty that it may be enacted and be it enacted by the King'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 :—

Short title.

**1.** This Act may be cited as the Kent Electric Power Act 1913.

Interpretation.

**2.** In this Act the expression "the priority shares" means the shares issued by the Company under the powers conferred by section 36 (As to classes of shares and securities) of the Act of 1906 the expressions "the preferred ordinary shares" and "the deferred ordinary shares" mean the shares to which respectively preferred and deferred rights as to dividend were by agreement between the shareholders attached by the agreement of the twelfth day of March one thousand nine hundred and eight and the expression "the common ordinary shares" means the seventy thousand shares of the Company which were issued by the Company to trustees for the Kent Electric Power Syndicate Limited whose rights to which were released by the said agreement and the remaining issued ordinary shares of the Company not affected by the said agreement.

Reduction and conversion of capital.

**3.** As from the first day of September one thousand nine hundred and thirteen or such other day as the directors shall prescribe the capital of the Company already issued shall be

reduced from two hundred and forty-two thousand six hundred and forty-one pounds divided into seventeen thousand six hundred and twenty-three priority shares of one pound each thirty-five thousand preferred ordinary shares of one pound each one hundred and thirteen thousand three hundred and ninety-nine deferred ordinary shares of one pound each and seventy-six thousand six hundred and nineteen common ordinary shares of one pound each to eighty-one thousand nine hundred and twenty-three pounds divided into seventeen thousand six hundred and twenty-three priority shares of one pound each and sixty-four thousand three hundred converted ordinary shares of one pound each For the purpose of effecting such reduction the whole of the preferred ordinary shares deferred ordinary shares and common ordinary shares shall be extinguished and such converted ordinary shares shall by virtue of this Act and without further or other authority be created and shall be issued in lieu of the said extinguished shares other than the seventy thousand shares released by the Kent Electric Power Syndicate Limited under the agreement of the twelfth day of March one thousand nine hundred and eight and the eighteen partly paid common ordinary shares issued as aforesaid subject to the provisions and with the incidence following (that is to say):—

- (1) To every holder of preferred ordinary shares there shall be issued five converted ordinary shares for every complete multiple of four preferred ordinary shares held by him :
- (2) To every holder of deferred ordinary shares there shall be issued one converted ordinary share for every six deferred ordinary shares held by him :
- (3) To every holder of common ordinary shares (other than the said seventy thousand common ordinary shares released by the Kent Electric Power Syndicate Limited and the said eighteen partly paid common ordinary shares) there shall be issued one converted ordinary share for every four common ordinary shares held by him :
- (4) Incomplete multiples whether of preferred ordinary shares deferred ordinary shares or common ordinary shares shall entitle the holders to the corresponding fractions of a converted ordinary share and any fraction of a converted ordinary share shall be satisfied by a cash payment equivalent to the proceeds derived

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from the sale of such fraction and the Company may sell the shares representing the aggregate of such fractions:

- (5) All the converted ordinary shares so issued shall be deemed for all purposes to be fully paid up:
- (6) The certificates for the preferred ordinary shares deferred ordinary shares and common ordinary shares so extinguished shall be delivered up to the Company and shall be cancelled by them and certificates for the converted ordinary shares substituted therefor shall be issued in exchange by the Company:
- (7) The converted ordinary shares shall confer upon the holders thereof the same rights as to dividend voting and otherwise as are conferred upon the holders of ordinary shares of the Company by the Act of 1902 and the Acts incorporated therewith:
- (8) Trustees executors administrators and all other holders in any representative or fiduciary capacity of preferred ordinary deferred ordinary or common ordinary shares of the Company are hereby expressly authorised to accept and hold any shares issued in substitution therefor under the powers of this Act and are hereby indemnified for all acts bonâ fide done by them in pursuance of the provisions of this enactment or in entering into or carrying out or in accordance with the terms of the said agreement of 1908:
- (9) The converted ordinary shares shall be held on the same trusts and subject to the same charges and liabilities as those on and subject to which the preferred ordinary shares deferred ordinary shares and common ordinary shares in substitution for which the same are issued were held immediately before the substitution and every deed or other instrument and every testamentary or other disposition made before the passing of this Act affecting such preferred ordinary shares or deferred ordinary shares or common ordinary shares shall take effect with reference to the whole or a proportionate part as the case may be of the converted ordinary shares issued in substitution for the same:

(10) Notwithstanding the provisions of section 27 (Qualification of directors) of the Act of 1902 the qualification for a director in respect of a holding of converted ordinary shares of the Company shall be the possession in his own right of not less than one hundred and twenty-five converted ordinary shares. A.D. 1913.

4. Nothing in this Act contained shall affect any preference or priority in the payment of dividend or allocation of profits or other special or distinctive rights or privileges attached to the priority shares or to any preference shares or separate class of shares or shares issued as part of any such class which may be created and issued after the passing of this Act under the powers of the Act of 1906 or otherwise. Saving rights of holders of priority shares.

5. In addition to the debenture stock already issued by the Company the Company may from time to time borrow upon debentures or on mortgage of their undertaking any sum or sums not exceeding in the whole one third of the amount of the priority shares already issued and of the share capital of the Company from time to time issued after the passing of this Act in excess of the converted ordinary shares at the time actually issued and accepted but no part of any such sum or sums shall be borrowed until the shares in respect of which the borrowing power is exercised are issued and accepted as aforesaid and one-half thereof is paid up and the Company shall have proved to the justice who is to certify under section 40 of the Companies Clauses Consolidation Act 1845 before he so certifies that such shares have been issued and accepted and that one-half thereof has been paid up and upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which certificate shall be sufficient evidence thereof Any mortgages debentures or debenture stock issued under the provisions of this Act shall rank pari passu with any mortgages debentures or debenture stock created or issued by the Company before the passing of this Act Section 38 (As to borrowing power of Company) of the Act of 1906 is hereby repealed. Company may issue further debentures.

6. Section 40 (Company may incur temporary loans) of the Act of 1906 is hereby repealed and the Company may for the purposes of or in connection with their business borrow moneys on temporary loans and may draw accept and endorse bills of exchange or other negotiable instruments. Repeal of section 40 of Act of 1906.

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Power to  
create a re-  
serve fund.

7.—(1) The directors of the Company may if they think fit in any year appropriate out of the revenue of the Company as part of the expenditure on revenue account any sum not exceeding an amount equal to five per centum of the paid-up capital of the Company including premiums to a fund to be called the reserve and contingency fund.

(2) The reserve and contingency fund shall be applicable to meet—

(A) Expenses incurred by reason of accidents strikes or circumstances which due care and management could not have prevented:

(B) The payment of dividends in any year in which the profits of the undertaking are insufficient to pay the authorised rate of dividend:

(C) Expenses incurred under the provisions of the section of this Act of which the marginal note is "Power to pay certain sums out of revenue":

(D) Expenses incurred in the replacement removal or renewal of plant or works.

(3) The maximum amount standing to the credit of the reserve and contingency fund shall not at any time exceed an amount equal to one-eighth part of the paid-up capital of the Company including premiums.

(4) The moneys forming the reserve and contingency fund or any portion thereof may be invested in such securities as the directors of the Company may think fit or may be applied for the general purposes of the Company or may be used partly in the one way and partly in the other.

(5) Resort may from time to time be had to the reserve and contingency fund notwithstanding that the sum standing to the credit of the fund is for the time being less than the maximum allowed by this section.

Power to  
pay certain  
sums out of  
revenue.

8. The Company may obtain plant machinery cables wires and apparatus upon hire purchase terms or upon terms that the purchase money shall be paid by instalments and the sums paid in respect thereof may be paid either wholly or partly out of revenue or out of the sums paid or payable into the reserve and contingency fund in accordance with the provisions of the section of this Act of which the marginal note is "Power to create a reserve fund" Any sums paid by the Company prior to the passing of this Act out of revenue in respect of plant



machinery cables wires and apparatus purchased upon hire purchase terms or upon terms that the purchase money shall be paid by instalments shall be deemed to have been paid in accordance with the provisions of this section. A.D. 1913.

9. All costs charges and expenses preliminary to and of and incidental to the preparation of and applying for and the obtaining and passing of this Act and carrying the same into effect shall be paid by the Company. Costs of Act.

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