



## CHAPTER IV.

An Act to authorise the South Metropolitan Gas Com- A.D. 1918.  
pany to raise additional capital and for other purposes.  
[21st November 1918.]

**W**HEREAS the South Metropolitan Gas Company (in this Act called "the Company") were incorporated by an Act passed in the year one thousand eight hundred and forty-two and under the provisions of that Act and Acts subsequently passed relating to the Company and their undertaking are supplying gas within certain parishes and places in the county of London and within parts of the counties of Surrey and Kent: 5 Vict.  
sess. 2.  
c. lxxix.

And whereas by the South Metropolitan Gas Act 1916 (hereinafter referred to as "the Act of 1916") it was declared that the capital of the Company at the date of the passing of that Act consisted of the sum of six million six hundred and nine thousand eight hundred and ninety-five pounds South Metropolitan Gas Company's stock and that the loan capital of the Company consisted of one million eight hundred and ninety-five thousand four hundred and forty-five pounds three per centum debenture stock and all powers of the Company of raising capital and of raising money by the creation and issue of debenture stock conferred by any previous Act and remaining unexercised immediately before the passing of that Act were repealed: 6 & 7 Geo. 5.  
c. xi.

And whereas the Company were by the Act of 1916 authorised to raise additional capital not exceeding two hundred and fifty thousand pounds by the creation and issue of South Metropolitan Gas Company's stock or of preference stock and to borrow on mortgage or by the creation and issue of debenture stock not exceeding one hundred thousand pounds:

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And whereas the Company were by the Act of 1916 also authorised to raise by borrowing on mortgage or bond or by the creation and issue of debentures or debenture stock sums not exceeding five hundred thousand pounds subject to the obligation to repay or redeem within seven years of the date or respective dates of borrowing or issue all moneys so borrowed on mortgage or bond and all debentures and debenture stock so created and issued :

And whereas it was provided by the Act of 1916 that no part of the said sum of one hundred thousand pounds should be borrowed if and so long as there was outstanding a sum of more than four hundred thousand pounds raised under the powers lastly hereinbefore recited and that if at any time before the Company had raised the whole of the said sum of five hundred thousand pounds they had raised any part of the said sum of one hundred thousand pounds the said sum of five hundred thousand pounds should be reduced by the amount so raised as last aforesaid :

And whereas in exercise of the powers conferred by the Act of 1916 the Company have raised the sum of two hundred and thirty-five thousand three hundred and ninety-six pounds six shillings and threepence (part of the said sum of two hundred and fifty thousand pounds) by the creation and issue of five per centum preference stock to the nominal amount of two hundred and fifty thousand pounds and have created and issued debentures for securing the repayment of a sum of five hundred thousand pounds which was owing by them and such debentures are expressed to be redeemable on or before the twelfth day of December one thousand nine hundred and nineteen :

And whereas capital expenditure will require to be incurred from time to time for the general purposes of the undertaking of the Company in excess of the unexpended balance on capital account and it is expedient that the Company should be empowered to raise additional moneys for the purposes aforesaid by the creation and issue of South Metropolitan Gas Company's stock or of preference stock and by borrowing on mortgage or by the creation and issue of debentures or debenture stock and that such provisions as are contained in this Act should be made with respect to the repayment of part of such moneys which are required temporarily for additional floating capital and the



redemption of any preference stock debentures or debenture stock issued for raising the same: A.D. 1918.

And whereas it is expedient that the Company should be empowered subject to the provisions of this Act to reissue after redemption the said existing debentures for securing five hundred thousand pounds and any redeemable debenture stock which may be issued under the powers of the Act of 1916 or to create and issue new debentures or redeemable debenture stock in substitution for or for the purpose of redeeming the same at maturity :

And whereas it is expedient that such provisions as are contained in this Act for authorising extensions of the period limited by the Act of 1916 for the final repayment or redemption of moneys borrowed on mortgage or bond and debentures and debenture stock issued in exercise of the powers of raising the said sum of five hundred thousand pounds should be made :

And whereas it is expedient that the other provisions contained in this Act should be made :

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 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 (that is to say) :—

1. This Act may be cited as the South Metropolitan Gas Act 1918. Short title.

2. The provisions of the Companies Clauses Consolidation Act 1845 with respect to the following matters (that is to say) :— Incorporation of parts of Companies Clauses Acts.

The distribution of the capital of the Company into shares ;

The transfer or transmission of shares ;

The remedies of creditors of the Company against the shareholders ;

The borrowing of money by the Company on mortgage or bond ;

The consolidation of the shares into stock ;

The general meetings of the Company and the exercise of the right of voting by the shareholders ;

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The making of dividends;

The giving of notices; and

The provision to be made for affording access to the special Act by all parties interested;

and Part I. (relating to cancellation and surrender of shares) Part II. (relating to additional capital) and Part III. (relating to debenture stock) of the Companies Clauses Act 1863 as amended by subsequent Acts shall (subject to the provisions of this Act) extend and apply to the Company and the additional capital by this Act authorised to be raised.

Additional capital.

**3.** The Company may from time to time raise additional capital not exceeding in the whole six hundred and thirty-seven thousand five hundred pounds by the creation and issue of South Metropolitan Gas Company's stock and of preference stock or partly by one of those modes and partly by the other of them:

Provided that it shall not be lawful for the Company to create and issue under the powers of this section any greater amount of capital than shall be sufficient to produce including any premium which may be obtained on the sale thereof the sum of six hundred and thirty-seven thousand five hundred pounds.

Power to borrow.

**4.** The Company may subject to the provisions of this Act borrow on mortgage of their undertaking any sum or sums not exceeding in the whole one-third of the amount of the additional capital which at the time of borrowing has been raised under the powers of the section of this Act of which the marginal note is "Additional capital" But no sum shall be borrowed in respect of any capital so raised until the Company have proved to a justice of the peace before he gives his certificate under the fortieth section of the Companies Clauses Consolidation Act 1845 that the whole of the stock at the time issued together with the premium (if any) realised on the sale thereof has been fully paid up.

Debenture stock.

**5.** The Company may in respect of the powers of borrowing conferred by the section of this Act of which the marginal note is "Power to borrow" subject to the provisions of this Act and of Part III. of the Companies Clauses Act 1863 create and issue debenture stock but notwithstanding anything contained in the said Part III. the interest of all debenture stock and of all mortgages or debentures created and issued or granted by the Company whether before or after the passing of this Act



under this Act or any previous or subsequent Act and for the time being outstanding shall subject to the provisions of any subsequent Act rank *pari passu* (without respect to the dates of the securities or of the Acts of Parliament or resolutions by which the stock and mortgages were authorised) and shall have priority over all principal moneys secured by such mortgages and debentures.

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6.—(1) Subject to the provisions of this section the Company may (in addition to any other moneys which they are by this or any other Act authorised to raise) from time to time raise any sum or sums not exceeding in the whole five hundred thousand pounds by the creation and issue of redeemable preference stock or of redeemable debenture stock or debentures or by borrowing on mortgage of their undertaking or partly by one of those modes and partly by another or others of them and notwithstanding anything contained in the fortieth section of the Companies Clauses Consolidation Act 1845 no such certificate of a justice of the peace as is referred to in that section shall be requisite as a condition of the creation or issue of any such redeemable debenture stock or debentures or of any such borrowing.

Power to  
raise money  
temporarily.

(2) All such redeemable preference stock and redeemable debenture stock shall be issued under and in accordance with the provisions of section 11 (Company may issue redeemable preference stock or redeemable debenture stock) of the Act of 1916 (as amended by this Act) but subject to the provisions as to the time and mode of redemption hereinafter contained.

(3) The Company shall not create or issue otherwise than as redeemable preference stock or redeemable debenture stock any stock or debenture stock for providing money for the redemption or purchase of any redeemable preference stock or redeemable debenture stock created and issued under the provisions of this section or for the purpose of redemption of or in substitution for any such preference stock or debenture stock.

(4) At or before the expiration of a period of ten years from the date or respective dates of the original issue or borrowing or any extension of that period granted under the section of this Act of which the marginal note is "Extension by Board of Trade of periods limited by Act of 1916 and this Act for final repayment or redemption of borrowed money or preference stock

A.D. 1918. " debenture stock and debentures " the Company shall redeem or repay—

- (a) All redeemable preference stock redeemable debenture stock and debentures issued under the powers of this section ;
- (b) Any redeemable preference stock or redeemable debenture stock created and issued under the powers of the said section 11 before the expiration of the said period or any such extension thereof as aforesaid for providing money for the redemption of or in substitution for any such redeemable preference stock or redeemable debenture stock as aforesaid ;
- (c) Any debentures reissued or created and issued under the powers of the section of this Act of which the marginal note is " As to reissue of debentures and " debenture stock issued under Act of 1916 and " this Act " for the purpose of providing money for the redemption of or in substitution for any such debentures as aforesaid ; and
- (d) All moneys borrowed or re-borrowed on mortgage under the powers of this section.

From and after the expiration of the said period or of any such extension thereof as aforesaid all powers of creating and issuing or reissuing redeemable preference stock redeemable debenture stock or debentures or of borrowing or re-borrowing on mortgage under or by virtue of this section shall cease and determine and all such redeemable preference stock redeemable debenture stock and debentures which shall have been redeemed shall be extinguished.

(5) The provisions applicable to debenture stock created and issued under the powers of the section of this Act of which the marginal note is " Debenture stock " shall so long as any redeemable debenture stock issued under the provisions of this section shall be outstanding apply to such redeemable debenture stock as if the same had been issued under the provisions of the section first referred to in this subsection.

(6) The final redemption or repayment of redeemable preference stock redeemable debenture stock debentures and borrowed moneys under the provisions of this section shall be effected by the Company out of any funds in their hands available for the purpose.



7. The Board of Trade may upon the application of the Company by order from time to time extend for such further period or periods as the said Board may by any such order prescribe—

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Extension by Board of Trade of periods limited by Act of 1916 and this Act for final repayment or redemption of borrowed money or preference stock debenture stock and debentures.

(a) The period for the time being limited by section 7 (Power to raise money temporarily on mortgage or by debenture stock) of the Act of 1916 (as amended by this Act) or by any such order as aforesaid for the final repayment or redemption of any moneys borrowed on mortgage or bond or any debentures or redeemable debenture stock issued under the provisions of that section; or

(b) The period for the time being limited by the section of this Act of which the marginal note is "Power to raise money temporarily" (as extended by any previous order) for the final redemption or repayment of any such preference stock debenture stock debentures or moneys as are referred to in that section:

Provided that any such application shall be made before the expiration of the period which is sought to be extended.

8. All stock or debenture stock created under the powers of this Act shall except so far as is otherwise expressly provided by this Act or by section 11 (Company may issue redeemable preference stock or redeemable debenture stock) of the Act of 1916 be issued in accordance with the terms of section 10 (As to mode of issue of stock or debenture stock) of the Act of 1916.

As to mode of issue of stock or debenture stock.

9.—(1) The power of borrowing conferred upon the Company by section 7 (Power to raise money temporarily on mortgage or by debenture stock) of the Act of 1916 in so far as that power is exerciseable by the creation and issue of debentures or debenture stock shall be deemed to enable the Company from time to time to reissue any of such debentures or debenture stock which shall be redeemed within a less period than the period for the time being limited for the final redemption of such debentures by the said section or by any order made under the provisions of the section of this Act of which the marginal note is "Extension by Board of Trade of periods limited by Act of 1916 and this Act for final repayment or redemption of borrowed money or preference stock debenture stock and debentures" or to create and issue new debentures or new redeemable debenture stock in substitution

As to re-issue of debentures and debenture stock issued under Act of 1916 and this Act.

A.D. 1918. — for or for the purpose of redeeming any debentures or debenture stock so paid off or maturing for redemption but so that all such debentures or debenture stock are finally redeemed within the period so limited as aforesaid (such period being in each case reckoned from the date or respective dates of the original issue of debentures or debenture stock as the case may be under the said section 7) and shall not be reissued after the expiration of that period.

(2) The Company may as respects any debentures created and issued under the provisions of this Act exercise the like powers of reissuing and of creating and issuing new debentures as are referred to in subsection (1) of this section.

(3) The reissue of a debenture under the power by this section given to the Company shall be treated as the issue of a new debenture for the purposes of stamp duty.

Amending  
section 11 of  
Act of 1916.

**10.**—(1) For the purpose of any such issue of new ordinary or preference stock or new debenture stock as is referred to in subsection (2) of section 11 (Company may issue redeemable preference stock or redeemable debenture stock) of the Act of 1916 the Company may create such an amount of ordinary or preference stock or of debenture stock as may be necessary for—

(a) Providing by the sale thereof (including premiums) the sum of money required for the redemption in cash at maturity or the previous purchase of any redeemable preference stock or redeemable debenture stock; or

(b) Redeeming at maturity by the substitution of ordinary stock or new preference stock or debenture stock any redeemable preference stock or redeemable debenture stock which is to be redeemed otherwise than in cash

as the case may be.

(2) The creation of ordinary stock or preference stock or debenture stock under the provisions of this section and the issue of ordinary stock or preference stock or debenture stock so created shall not be deemed to be an increase of the capital authorised to be raised by the Company or of the borrowing powers of the Company but in determining for the purposes of their accounts for the half-year in which any such ordinary stock or preference stock or debenture stock has been issued and for each subsequent half-year the respective nominal amounts of capital and loan capital issued the Company shall make all such adjustments of the said nominal amounts as shall be necessary



in order to show the actual nominal amounts of capital and loan capital respectively for the time being issued and outstanding : A.D. 1918.

Provided that nothing in this section shall relieve the Company from any obligation to which but for the provisions of this subsection they would have been subject to pay stamp duty in respect of any increase of the amount of nominal share capital of the Company which may be effected by the creation and issue of any such new stock as aforesaid :

Provided also that the period within which the Company shall deliver to the Commissioners of Inland Revenue the statement of the amount of any such increase required by section 113 of the Stamp Act 1891 shall be one month after the date of such creation.

**11.** Except as otherwise expressly provided by the resolution creating the same no person shall be entitled to vote in respect of any stock issued under or by virtue of the powers conferred by this Act to which a preferential dividend shall be assigned. Restriction as to votes in respect of preferential stock.

**12.** Any moneys raised under this Act 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 stock under the provisions of this Act shall not be considered as part of the capital of the Company entitled to dividend. Application of money.

**13.** In addition to the powers which the directors of the Company may exercise under the Companies Clauses Acts 1845 to 1889 or otherwise they may from time to time determine the remuneration of the secretary of the Company. Power for directors to determine remuneration of secretary.

**14.** Notwithstanding anything in this Act the Company shall not under the powers of this Act raise or borrow any money during the continuance of the present war and twelve months thereafter unless the consent of the Treasury has been previously obtained. Consent of Treasury to raising money.

**15.** All costs charges and expenses of and incidental to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Company. Costs of Act.

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