



CHAPTER lix.

An Act to authorise the Commercial Gas Company to raise additional capital and for other purposes. A.D. 1918.

[21st November 1918]

WHEREAS the Commercial Gas Company (in this Act called "the Company") were incorporated by the Commercial Gas Act 1847 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 administrative county of London and within part of the county borough of West Ham. 10 & 11 Vict. c. liii.

And whereas by the Commercial Gas Act 1902 (hereinafter referred to as "the Act of 1902") the capital and debenture stock of the Company as existing or authorised immediately before the passing of that Act were converted into: 2 Edw. 7. c. cxxxiv.

Name of Stock.	Nominal Amount		
	Issued.	Unissued.	Total.
Four per centum capital stock.	£ 1,375,000 0 0	£ — 0 0	£ 1,375,000
Three and a half per centum capital stock.	503,750 0 0	56,250 0 0	560,000
Three per centum debenture stock.	407,812 10 0	42,187 10 0	450,000

And the Company were authorised to create and issue the above-mentioned unissued amounts of three and a half per centum capital stock and three per centum debenture stock:

And whereas by the Act of 1902 the Company were authorised to create and issue as additional capital such further amounts of four per centum capital stock as would suffice to produce

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And whereas the Company have exercised the powers of creating and issuing unissued amounts of converted three and a half per centum capital stock and three per centum debenture stock conferred by the Act of 1902 and have also partially exercised the powers of creating and issuing further amounts of four per centum capital stock and three per centum debenture stock conferred by that Act and were immediately before the passing of this Act empowered by virtue of the unexercised powers of the Act of 1902 to raise by the creation and issue of further amounts of four per centum capital stock the sum of one hundred and forty-nine thousand two hundred and ninety-eight pounds three shillings and sixpence and by the creation and issue of three per centum debenture stock the sum of twenty-nine thousand four hundred and fifty-nine pounds eighteen shillings and tenpence and a further sum or sums not exceeding one-third of so much of the said sum of one hundred and forty-nine thousand two hundred and ninety-eight pounds three shillings and sixpence as may from time to time be raised but the Company have no other unexercised powers of creating or issuing capital or debenture stock nor are they authorised to borrow money otherwise than by the creation and issue of debenture stock:

And whereas owing to the great increase due to the present war in the cost of the materials used by the Company for the purposes of their undertaking and to other causes attributable to the war the Company require temporarily additional working capital which will be released and no longer required when the existing abnormal conditions cease to prevail:

And whereas the Company have expended on capital account otherwise than as working capital sums largely in excess of the amount raised by the issue of capital and of debenture stock and further capital expenditure will require to be incurred from time to time for the general purposes of their undertaking but in the circumstances which prevail at the present time the Company are unable to issue ordinary stock or debenture stock under their unexercised powers otherwise than upon terms which

would impose permanently upon the Company an excessive financial burden: A.D. 1918.

And whereas it is expedient that the Company should be empowered to raise money for the purposes aforesaid by the creation and issue of redeemable preference stock and by borrowing on mortgage or by the creation and issue of redeemable debenture stock and that the provisions contained in this Act with reference to the redemption of so much of the money so raised as is required for additional working capital should be made:

And whereas the said sum of one million three hundred and seventy-five thousand pounds four per centum capital stock comprises a sum of thirty-seven thousand five hundred pounds of such stock which represents by virtue of conversions effected by the Act of 1902 and previously three thousand shares of five pounds each in the capital of the Company as originally constituted by the said Act of 1847 the holders of which shares were entitled to a preferential dividend thereon of five per centum per annum in priority to the holders of any other shares in the Company:

And whereas on the occasion of each of the said conversions the said preferential rights were expressly saved and it is expedient that the declaration contained in this Act with respect to the rights and priorities of the holders of the said sum of thirty-seven thousand five hundred pounds four per centum capital stock 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:—

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

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;

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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;

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.

Power to raise additional capital by creation and issue of preference stock.

3. The Company may from time to time raise additional capital not exceeding in the whole one hundred and five thousand pounds by the creation and issue of preference stock:

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 is sufficient to produce including any premium which may be obtained on the sale thereof the sum of one hundred and five thousand pounds.

Power to borrow.

4. The Company may in addition to any moneys which they are now authorised to borrow from time to time subject to the provisions of this Act borrow on mortgage of their undertaking or raise by the creation and issue of debentures any sum or sums not exceeding in the whole one-third part of the amount which the Company have at the time actually raised by the creation and issue of preference stock under the authority of this Act 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.

Power to raise money temporarily

5.—(1) In addition to any other sums which they are by this or any other Act authorised to raise the Company may

from time to time raise for use as working capital such sum or sums as they may require for that purpose not exceeding in the whole one hundred and sixty thousand pounds and any such sum or sums may be raised—

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for working
capital.

- (a) By the creation and issue of redeemable preference stock and redeemable debenture stock under the provisions of the section of this Act of which the marginal note is "Company may issue redeemable preference stock or redeemable debenture stock" in such proportions as the Company may think fit; or
- (b) Wholly by borrowing on mortgage or by the creation and issue of debentures or of such redeemable debenture stock as aforesaid:

Provided that it shall not be necessary for the Company to obtain the certificate of a justice under the fortieth section of the Companies Clauses Consolidation Act 1845 in connexion with or as a condition of any such borrowing or the creation and issue of any such debentures or debenture stock.

(2) All moneys borrowed on mortgage and all debentures issued under the powers of this section shall be repaid or redeemed within a period of ten years from the date or respective dates of the original borrowing or issue or any extension of that period granted under the provisions of the section of this Act of which the marginal note is "Extension by Board of Trade of period limited for final repayment or redemption of borrowed money or of preference stock debenture stock and debentures" but the Company may re-borrow any such moneys which have been repaid or re-issue any debentures which have been redeemed before the expiration of the said period or extended period provided that such moneys or debentures shall be finally repaid or redeemed within the said period or extended period.

(3) The re-issue 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.

(4) Notwithstanding anything contained in the said section of this Act of which the marginal note is "Company may issue redeemable preference stock or redeemable debenture stock"—

- (i) There shall not be created or issued any ordinary stock or any debenture stock other than redeemable debenture stock for providing money for the redemption

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or purchase of any redeemable preference stock or redeemable debenture stock issued under the provisions of this section or for the purpose of redemption of or in substitution for any such redeemable preference stock or redeemable debenture stock ;

- (ii) All redeemable preference stock and redeemable debenture stock created and issued under the provisions of this section and any redeemable preference stock or redeemable debenture stock created and issued under the powers of the said section of this Act of which the marginal note is "Company may issue redeemable preference stock or redeemable debenture stock" for providing money for the redemption or purchase of any redeemable preference stock or redeemable debenture stock issued under the provisions of this section or for the purpose of redemption of or in substitution for any such redeemable preference stock or redeemable debenture stock shall at or before the expiration of a period of ten years from the date or respective dates of the original issue or any extension of that period granted as aforesaid be redeemed by the Company out of any moneys in their hands (other than moneys raised by the creation and issue of ordinary or preference stock or debentures or debenture stock or by borrowing on mortgage); and
- (iii) After the expiration of the said period of ten years or any such extension thereof as aforesaid the Company shall not re-issue the redeemable preference stock or redeemable debenture stock so redeemed or issue any new preference stock or debenture stock for providing money for the redemption or purchase thereof or for the purpose of redemption of or in substitution for the same.

Extension
by Board of
Trade of
period
limited for
final repay-
ment or
redemption
of borrowed
money or of
preference
stock debent-

6. 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 the period for the time being limited by the section of this Act of which the marginal note is "Power to raise money temporarily for working capital" (as extended by any previous order) for the final repayment or redemption of any such moneys preference stock debentures or debenture stock 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.

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—
ture stock and
debentures.

• 7. The Company may 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 or debentures.

Debenture
stock.

8.—(1) The directors of the Company may from time to time notwithstanding the provisions of any Act relating to the Company and without any further authority than is given by this section raise—

Company
may issue
redeemable
preference
stock or
redeemable
debenture
stock.

(a) By the issue of redeemable preference stock any portion of the capital which the Company are or may for the time being be authorised whether under this or any other Act to raise as preference capital ;

(b) By the issue of redeemable debenture stock any money which the Company are or may for the time being be authorised whether under this or any other Act to raise by the issue of debenture stock ;

subject to the condition that such redeemable preference stock and redeemable debenture stock shall be redeemed by the Company at such times and in such manner and on such terms and conditions as may be expressed on the certificates of such preference stock or debenture stock.

(2) It shall be lawful for the Company from time to time to create and for the Company or the directors thereof to issue—

(a) New stock whether ordinary or preference (and as regards any preference stock whether redeemable or otherwise) to such amount as may be necessary to provide money for the redemption or purchase of any redeemable preference stock ; or

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(b) New debenture stock whether redeemable or otherwise to such amount as may be necessary to provide money for the redemption or purchase of any redeemable debenture stock ;

or to re-issue any preference stock or debenture stock which has been redeemed under the provisions of this section or to issue any such new ordinary or preference stock or new debenture stock for the purpose of redemption of or in substitution for any such redeemable preference stock or redeemable debenture stock (as the case may be) The provisions of this or any previous Act relating to the mode of issue of stock or debenture stock of the Company shall not apply to the issue to the holder of any redeemable preference stock or redeemable debenture stock of any such new ordinary or preference stock or new debenture stock by way of redemption of or in substitution for such redeemable preference stock or redeemable debenture stock and such new ordinary or preference stock or new debenture stock may be issued direct to such holder.

(3) The proceeds of any issue under subsection (2) (a) or (b) of this section shall be applied for the redemption at maturity of any redeemable preference stock or redeemable debenture stock for the redemption of which such issue was made but may if the directors of the Company think fit be also at any time applied in the purchase of any such preference stock or debenture stock at a price not exceeding the redemption price and any preference stock or debenture stock so purchased shall be cancelled.

(4) The creation of new stock or new debenture stock under the provisions of subsection (2) of this section and the issue of new stock or new 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 year in which any such new stock or debenture stock has been issued and for each subsequent 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 :

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 : A.D. 1918.

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.

9.—(1) All ordinary or preference stock (in this section referred to as "stock") or debenture stock created under the powers of this Act shall except so far as is otherwise expressly provided by this Act be issued in accordance with the terms of this section. As to mode of issue of stock or debenture stock.

(2) All stock or debenture stock so to be issued whether the same be at a premium or not may (with the approval of the Board of Trade to be signified in writing under the hand of an assistant secretary of that Board) if the Company think fit be offered by the Company to all the gas consumers and persons in the employ of the Company. The price at which any such preference stock or debenture stock shall be so offered shall on the occasion of the first issue of the same respectively or of any part thereof be such as shall be determined on the application of the Company by the chairman of the London Stock Exchange and subject as aforesaid the price at which stock or debenture stock shall be so offered shall be as near as may be the average market price of such stock or debenture stock in the period of two weeks immediately preceding such offer (provided that in no case shall the price at which such stock or debenture stock shall be offered be lower than five per centum below such market price) or if there be no such market price then at such a price as shall be determined as hereinbefore provided. To ascertain the average market price of the stock or debenture stock for the purposes of this subsection the mean daily prices recorded in the London Stock Exchange daily official list shall be taken for the said period of two weeks.

(3) Any stock or debenture stock which has not been so offered as aforesaid or which has been so offered to and not taken up by such persons shall before being offered to the holders of any ordinary or preference stock or debenture stock of the Company be offered for sale by public auction or tender in such

A.D. 1918. manner at such times and subject to such conditions of sale as
— the directors of the Company shall from time to time determine.

(4)—(a) Notice of the intention to offer or sell any stock or debenture stock in accordance with subsection (2) or subsection (3) of this section shall be given in writing to the clerk of the London County Council and of every local authority having jurisdiction within the district of supply of the Company and to the secretary of the London Stock Exchange at least twenty-eight days before the date of any offer under the said subsection (2) or the day of sale by auction or the last day for the reception of tenders under the said subsection (3) (as the case may be) and shall also be duly advertised once in each of two consecutive weeks in two or more daily newspapers published in London and circulating within the said district:

(b) A reserve price shall be fixed for the purposes of any such sale by auction or by tender and notice thereof shall be sent by the Company in a sealed letter to be received by the Board of Trade not less than twenty-four hours before but not to be opened till after the day of auction or last day for the receipt of tenders as the case may be:

(c) No lot offered for sale by auction in accordance with subsection (3) of this section shall comprise stock or debenture stock of greater nominal value than one hundred pounds:

(d) In the case of a sale by tender no preference shall be given to one of two or more persons tendering the same sum and in the case of a sale by auction a bid shall not be recognised unless it is in advance of the last preceding bid:

(e) It shall be one of the conditions of sale by auction or by tender that the total sum payable by the purchaser shall be paid to the Company within such period not exceeding three months after the date of the auction or of the acceptance of the tender (as the case may be) as the directors may determine:

(5) Any stock or debenture stock which has been offered for sale by auction or by tender in accordance with subsection (3) of this section but not then sold may be offered at the reserve price to the holders of ordinary and preference stock or debenture stock of the Company in accordance with the provisions of sections 18 19 and 20 of the Companies Clauses Act 1863 and for the purposes of those provisions as applied by this section the said holders of preference stock or debenture stock shall be

deemed to be stockholders Provided that if the aggregate amount of stock or debenture stock applied for by such holders of ordinary and preference stock or debenture stock exceeds the aggregate amount offered the same shall be allotted to and distributed amongst the applicants as nearly as may be in proportion to the amounts applied for by them respectively.

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(6) Any stock or debenture stock which has been offered for sale in accordance with (a) subsections (2) (3) and (5) or (b) subsections (3) and (5) or (c) subsection (3) of this section and is not sold may be again offered for sale by public auction or by tender in accordance with the provisions of this section and any such stock or debenture stock then remaining unsold may be otherwise disposed of at such price and in such manner as the directors may determine for the purpose of realising the best price obtainable.

(7) As soon as possible after the conclusion of the sale or sales the Company shall send a report thereof to the Board of Trade stating the total amount of the stock or debenture stock sold the total amount obtained as premium (if any) and the highest and lowest prices obtained for the stock or debenture stock.

10. 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.

11. The holding of preference stock issued under or by virtue of the powers conferred by this Act or (except as may be otherwise provided) any subsequent Act shall not be a qualification for the office of director or auditor of the Company.

Preference stock not to qualify for directorship or auditorship.

12. All 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 or reissue 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. Notwithstanding anything contained in any existing Act of the Company the Company may create and the Company or the directors thereof may issue as preference stock any stock

Power to create and issue as preference

A.D. 1918. which they are by any such Act authorised to create and issue as ordinary stock and which has not been created and issued or which has been created but not issued before the date of the passing of this Act.

stock stock
authorised as
ordinary
stock.

Declaring
rights of
holders of
existing
preference
stock.

14. It is hereby declared that the respective holders for the time being of four per centum capital stock of the Company to the aggregate nominal amount of thirty-seven thousand five hundred pounds and described on the certificates thereof as four per centum preference capital stock are entitled out of the net divisible profits of the Company for any half-year to a preferential dividend on such stock (in priority to the dividend on the remainder of the said four per centum capital stock and on the three and a half per centum capital stock of the Company for the time being) at the rate of two per centum per annum and that in respect of any half-year for which the net divisible profits of the Company suffice for the payment of a dividend upon the said four per centum capital stock at any higher rate than two per centum per annum the whole of that stock (including the said amount of thirty-seven thousand five hundred pounds) ranks equally for dividend.

Annual
ordinary
meetings and
half-yearly
dividends.

15.--(1) After the passing of this Act the ordinary meetings of the proprietors of the Company shall be held annually instead of half-yearly and shall in every year be held so soon after the thirty-first day of December in the preceding year but not later than the month of April as the directors by resolution from time to time determine.

(2) The directors may if it appears to them that the profits of the Company are sufficient declare and pay in respect of any half-year ending on the thirtieth day of June dividends on the several classes of stock of the Company out of the profits of the Company without the sanction or direction of a general meeting but no such dividend on the four per centum capital stock or the three and a half per centum capital stock of the Company shall exceed the rate of dividend on those stocks respectively in respect of that half-year as determined pursuant to section 12 (Varying illuminating power standard price and dividend) of the Act of 1902 and no such dividend on any preference stock of the Company shall exceed one-half of the yearly rate of dividend on such preference stock.

(3) Any dividend declared at an annual ordinary meeting of the Company shall be deemed to be a half-yearly dividend

in respect of the half-year ending next before the date of such meeting. A.D. 1918.

(4) The directors may close the register of transfers for a period not exceeding one month immediately preceding the day appointed for holding each annual ordinary meeting and also (in any year in which it is proposed to exercise the powers of subsection (2) of this section) for a period not exceeding one month commencing on any day in the first week of July in that year and shall give seven days' notice of the day of closing such register by advertisement in some newspaper circulating in the district in which the Company's principal office is situate and any transfer delivered to the secretary of the Company to be registered during the time when such register is so closed shall as between the Company and the person claiming under the transfer but not otherwise be considered as made subsequently to the declaration of any such dividend.

(5) Notwithstanding anything contained in section 116 of the Companies Clauses Consolidation Act 1845 or in any other enactment the Company and the directors thereof shall not be required to make up a half-yearly balance sheet and accounts but they shall (subject to the provisions of section 56 (Form of accounts) of the Commercial Gas Act 1875) make up annually such a balance sheet and accounts as are referred to in the said section 116 relating to the transactions of the Company in the course of the preceding year and section 57 (Periodical audit) of the said Act of 1875 shall be read and have effect accordingly.

(6) Section 58 of the Commercial Gas Act 1852 (so far as not already repealed) and subsections (1) (2) (3) and (4) of section 28 of the Act of 1902 shall be and the same are hereby repealed.

16. In addition to the powers which the directors of the Company may exercise under the Companies Clauses Act 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.

17. Notwithstanding anything contained in section 122 (Remuneration of directors) of the Commercial Gas Act 1875 it shall be lawful for the Company at any general meeting from time to time by resolution to increase or reduce (but not below the amount prescribed by the said section 122) the total amount of remuneration of the directors of the Company The

Power to Company to vary directors' remuneration.

A.D. 1918. — amount fixed by any such resolution shall continue to be the total amount of remuneration of the directors until the same shall be varied by a subsequent resolution of the Company.

Consent of
Treasury to
raising of
money.

18. 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.

Costs of Act.

19. 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.

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