



CHAPTER ccxxix.

An Act to grant further powers to The South Metropolitan Gaslight and Coke Company. A.D. 1876.
[11th August 1876.]

WHEREAS the "South Metropolitan Gaslight and Coke Company" (who are herein-after referred to as "the Company") were incorporated by an Act passed in the year 1842, "for more effectually lighting with gas certain places within the borough of Southwark, and other parishes and places, in the counties of Surrey and Kent," and they were for that purpose authorised to raise a capital of two hundred thousand pounds in shares of fifty pounds each, and to raise by loan or by shares an additional sum of fifty thousand pounds, and the Company by virtue of the said option did raise the additional capital by shares : 5 & 6 Vict.
c. lxxix. s. 2.

s. 3.
ss. 28 and 57.

And whereas further powers were granted to the Company by Acts bearing its name, and passed in the years 1865 and 1869, and by the Act of 1869 (section 5) the Company are authorised to raise an additional sum of two hundred and fifty thousand pounds by shares, and to borrow (section 6) sixty-two thousand five hundred pounds, and the Company have created the said capital in shares of twelve pounds ten shillings each, and have received by calls thereon one hundred and eighty thousand pounds, but they have not borrowed any money nor do they owe any money excepting for their current expenses : 28 Vict. c. xiv.
32 & 33 Vict.
c. cxxx.

And whereas the increasing population of the district over which the powers and the duties of the Company extend renders necessary a perpetually increasing outlay of capital by the Company, and it is expedient that the powers herein-after contained should be granted to the Company in this respect :

And whereas by virtue of the recited Acts and of the Acts incorporated therewith the Company are prohibited from making any larger dividend on their share capital than at the rate of ten per centum per annum, and the excess of profit beyond what is necessary for the payment of the said dividend and for forming an 32 & 33 Vict.
c. cxxx.
ss. 12, 13,
and 14.

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A.D. 1876. insurance fund is to be carried to the credit of the divisible profits for the next following year, and ultimately to be applied to diminishing the price of gas, and it is expedient that the provisions herein-after contained should be made in this respect :

And whereas provision is made in "The City of London Gas Act, 1868," for the voluntary amalgamation of gas companies whose undertakings or parts of whose undertakings are within the city of London, and it is expedient that similar provisions should be made with respect to the Company :

And whereas it is also expedient that the recited Acts relating to the Company should be in some respects amended, and that the further powers and conditions herein-after contained should be granted to and imposed upon the Company :

And whereas the objects of this Act 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 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 :

Short title.

1. This Act may for all purposes be cited as "The South Metropolitan Gaslight and Coke Company's Act, 1876."

Certain provisions of 8 & 9 Vict. c. 16. incorporated.

2. The provisions of "The Companies Clauses Consolidation Act, 1845," with respect to the several matters following ; (that is to say,)

The distribution of the capital of the Company into shares ;

The transfer or transmission of shares ;

The payment of subscriptions and the means of enforcing the payment of calls ;

The forfeiture of shares for nonpayment of calls ;

The remedies of the creditors of the Company against the shareholders ;

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 borrowing of money by the Company on mortgage or bond ;

The conversion of the borrowed money into capital ;

The giving of notices and the provision for affording access to the special Act ; and

Part I. (relating to cancellation and surrender of shares) and

Part II. (relating to additional capital) and Part III. (relating to

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debenture stock) of "The Companies Clauses Act, 1863," are (except where expressly varied by this Act) incorporated with and form part of this Act. A.D. 1876.

3. For all purposes of account, and for the purpose of declaring and paying dividends and interest, this Act shall commence and take effect on and from the first day of January one thousand eight hundred and seventy-seven, and for all other purposes it shall commence and take effect immediately after the passing thereof. Commencement of Act.

4. The several words and expressions to which by the Acts in whole or in part incorporated with this Act or by the recited Acts relating to the Company meanings are assigned have in this Act the same respective meanings, unless there be in the subject or context something repugnant to such construction. Interpretation of terms.

5. At the time of the passing of this Act the capital of the Company is five hundred thousand pounds, divided into 4,000 fifty pound shares and 24,000 twelve pounds ten shillings shares. Capital of the Company.

6. Except as in this Act provided, the profits of the Company to be divided among the shareholders in any year shall not exceed the rate of ten pounds per centum per annum (which rate is in this Act referred to as "the standard rate of dividend") on the ordinary share capital or stock of the Company authorised by Parliament, and paid up and expended on or in connexion with the undertaking of the Company. Profits of Company defined.

7. Notwithstanding anything contained in the 71st section of the Act of 1842, the scale of votes of shareholders in the Company shall be one vote for every one hundred pounds paid up of stock or nominal share capital, fractions of one hundred pounds being rejected. Votes of shareholders.

8. The 73rd section of the Act of 1842 is hereby repealed, and in the stead thereof the provisions of "The Companies Clauses Consolidation Act, 1845," (sections 76, 77,) with respect to the manner of voting and the regulation as to proxies, are incorporated with this Act, and shall apply to the Company. Voting by proxy.

9. Notwithstanding anything contained in the 81st section of the Act of 1842, the qualification of a director shall be the possession of paid-up shares or stock of the Company of the nominal value of two thousand pounds. Qualification of directors.

10. Sections 13 and 14 and sections 19 to 66, both inclusive, in the Act of 1869 are hereby repealed. Repeal of certain parts of Act of 1869.

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Power to
raise addi-
tional capital.

11. The Company may raise any additional capital not exceeding in the whole two hundred and fifty thousand pounds, in such amounts and proportions as they shall think fit, so that no such amount or proportion issued at any one time shall exceed the sum of fifty thousand pounds, by the issue of new ordinary shares or stock, but they shall not issue any share of less nominal value than ten pounds, nor shall any share vest in the person or body accepting the same, unless and until a sum not less than one fifth of the amount of such share has been paid in respect thereof: Provided that before the Company raise any additional capital by shares under the authority of this Act, they shall raise by borrowing on mortgage of their undertaking the sum of sixty-two thousand five hundred pounds in pursuance and by the exercise of the powers them in that behalf enabling contained in the Act of 1869: Provided that the Company shall be under obligation in respect of every sum of fifty thousand pounds raised by the issue of additional share capital under the authority of this Act from time to time to raise by borrowing on mortgage or by debenture stock a sum of thirty-seven thousand five hundred pounds in manner following; (that is to say,) the Company shall not at any time after the first issue of share capital under this Act issue any further amount or proportion of such capital until they have proved to the satisfaction of a justice, by the production to such justice of the books of the Company and of such other evidence, as he thinks sufficient, and have obtained from such justice a certificate that they have raised by borrowing on mortgage or by debenture stock the amount prescribed by this Act in respect of the total nominal amount of the share capital then previously issued by them under this Act.

New shares
or stock sub-
ject to same
incidents as
other shares
or stock.

12. The capital in new shares or stock created by the Company under this Act, and the new shares or stock therein and the holders thereof respectively, shall be subject and entitled to the same powers, provisions, liabilities, rights, privileges, and incidents whatsoever in all respects as if that capital were part of the now existing capital of the Company of the same class or description, and the new shares or stock were shares or stock in that capital, and the capital in new shares or stock so created shall form part of the capital of the Company.

New shares
to be offered
by auction or
tender.

13. Notwithstanding anything in this Act contained, the Company shall, when any shares or stock created under the powers of this Act are to be issued, and before offering the same to the holder of any other shares or stock in the Company, and whether the ordinary shares or ordinary stock of the Company are or is not at a

premium, offer the same for sale by public auction or by tender within the metropolis in such manner, at such times, and subject to such conditions of sale as the Company shall from time to time determine: Provided that at any such sale the reserved price put upon such shares or stock shall not be less than the nominal amount thereof, and notice of the amount of such reserved price shall be sent by the Company in a sealed letter to the Board of Trade not less than twenty-four hours before the day of auction or the last day for the reception of tenders, as the case may be, and such letter may be opened after such day of auction or last day for the reception of tenders, and not sooner.

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14. The intention to sell any such shares or stock by auction or by tender shall be communicated in writing to the clerk to the Metropolitan Board of Works and to the secretary of the Committee of the London Stock Exchange at least twenty-eight days before the day of auction or the last day for the reception of tenders, as the case may be, and notice of such intention shall be duly advertised four times during the same period in two or more London daily newspapers.

As to notice to be given as to sale, &c. of shares.

15. When any shares or stock created under the powers of this Act have been offered for sale by auction or by tender and not sold, the same shall be offered at the reserved price put upon the same respectively for the purpose of sale by auction or tender to the holders of the ordinary shares or ordinary stock of the Company in manner provided by "The Companies Clauses Act, 1863:" Provided always, that any shares or stock so offered and not accepted within the time prescribed by the said Act shall again be offered for sale by public auction or by tender in the manner and subject to the provisions of this Act with respect to the sale of shares and stock created under the powers of this Act.

Shares not sold by auction or by tender to be offered to shareholders.

16. Any sum of money which shall arise from the issue of any such shares or stock by way of premium, after deducting therefrom the expenses of and incident to such issue, shall not be considered as profits of the Company, but shall be expended in extending or improving the works of the Company, or in paying off money borrowed or owing on mortgage by the Company, and shall not be considered as part of the capital of the Company entitled to dividend.

Application of premium arising on issue of shares or stock.

17. Subject to the conditions and restrictions herein-after contained, the Company may borrow on mortgage of their undertaking sums not exceeding in the whole two hundred and fifty thousand pounds, inclusive of the sum of sixty-two thousand five hundred pounds which the Company are authorised to raise under the Act of 1869, the said aggregate sum of two hundred and fifty thousand

Power to borrow on mortgage.

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A.D. 1876. — pounds being one third of the authorised share capital of the Company: Provided that in respect of every fifty thousand pounds paid up of the additional capital authorised by this Act, the Company may, before they issue any further shares, borrow a sum or sums not exceeding in the whole thirty-seven thousand five hundred pounds; but no part of any of the before-mentioned sums of thirty-seven thousand five hundred pounds shall be borrowed until the Company shall have proved to the justice who is to certify under the fortieth section of "The Companies Clauses Consolidation Act, 1845," before he so certifies, that shares for the whole of the portion of additional capital in respect of which the borrowing powers are sought to be exercised have been issued, accepted, and paid up in accordance with the requirements of this section, and that not less than one-fifth part of each separate share has been paid up thereon before or at the time of the issue or acceptance thereof, or until stock for one half of so much of the said additional capital as is to be raised by means of stock is fully paid up, and the Company have proved to such justice before he so certifies that such shares or stock, as the case may be, were issued and accepted in good faith and are held by the persons or bodies to whom they were issued, their executors, administrators, successors, or assigns, and that those persons or bodies, their executors, administrators, successors, or assigns, are legally liable for the same; and on production to the justice of the books of the Company, and of such other evidence as he thinks sufficient, he shall grant a certificate that the proof aforesaid has been given, and the same shall be sufficient evidence thereof: Provided that the Company shall not pay any higher interest upon any part of the money so borrowed by them than at the rate of five pounds per centum per annum.

Restrictions
on raising
additional
capital
beyond
250,000l.

18. When under the authority of this Act the Company has raised by shares and stock and by borrowing, or by the issue of debenture stock, the sum of two hundred and fifty thousand pounds, the Company shall thenceforth in the exercise of the powers by this Act conferred upon them with respect to the issue of shares and borrowing be subject to the restrictions following:

Before raising any further sum by the issue of shares or by borrowing, or by the issue of debenture stock, the Company shall prove to the satisfaction of the Board of Trade, on the report of some impartial person to be appointed by such Board, that the sum proposed to be raised is necessary for the purposes of the Company during the three years then next following, and the President of the said Board shall make and sign a certificate to such effect:

Any person so appointed shall, before considering any matter referred to him under this Act, give notice to the Company and to the Metropolitan Board of his intention of considering the matter so referred to him, and of the time and place at which he intends to do so, and he shall at such time and place hear the Metropolitan Board and the Company, or either of them desiring to be heard, and make such decision as he shall think just as to the matter referred to him and as to the costs of such reference, and as to the party or parties by whom the same shall be borne and paid :

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Any costs incurred by the Metropolitan Board under this section may be paid by them out of any funds in their hands or under their control.

19. The Company may create and issue debenture stock at such rate of interest as they shall think fit, not exceeding the rate of five pounds per centum per annum, subject to the provisions of Part III. of "The Companies Clauses Act, 1863;" but, notwithstanding anything therein contained, the interest of all debenture stock at any time issued by the Company shall rank together and equally with the interest of all mortgages at any time after the commencement of this Act granted by the Company, and shall have priority over all principal money secured by such mortgages.

Debenture stock.

20. All moneys which the Company raise under this Act, whether by shares or by debenture stock or by borrowing, shall be applied for the general purposes of the Company, and for no other purpose.

Application of moneys raised by Company.

21. The standard price to be charged by the Company for gas supplied by them shall be three shillings and sixpence per one thousand cubic feet, provided that the Company may increase or diminish such standard price subject to a decrease or increase in the standard rates of dividend as defined by this Act, to be calculated as follows :

Fixing maximum price of gas, with sliding scale as to dividend.

For every penny or part of a penny charged in excess or in diminution of such standard price in any year, the standard rates of dividend shall for such year be reduced or increased by five shillings in the hundred pounds per annum.

22. If the clear profits of the undertaking of the Company in any year amount to a larger sum than is sufficient to pay the standard rate of dividend, the excess beyond the sum necessary for that purpose may from time to time, to the extent of one per centum per annum upon the paid-up capital of the Company, be invested in Government or other securities, and the dividends and

If profits exceed the amount limited, excess may be invested, and form an insurance fund.

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A.D. 1876. interest arising from such securities shall also be invested in the same or like securities in order that the same may accumulate at compound interest until the fund so formed amounts to a sum equal to one twentieth of the paid-up capital of the Company, which sum shall form an insurance fund to meet any extraordinary claim, demand, or charge which may at any time arise against or fall upon the Company from accident, strikes, or other circumstances which, in the opinion of the auditor, due care and management could not have prevented, and if such fund be at any time reduced it may thereafter be again made up to the said sum, and so from time to time as often as such reduction shall happen: Provided that when and so often as the said fund shall reach one-twentieth part of the paid-up capital, the interest thereon shall be carried to the credit of the fund available for dividend: Provided also, that resort may from time to time be had to the insurance fund, to meet any extraordinary claim or demand as aforesaid, although such fund may not at the time have reached or may have been reduced below the full amount of one twentieth as aforesaid.

Application
of excess of
profits over
standard rate
of dividend.

23. If the clear profits of the undertaking of the Company in any year amount to a larger sum than is sufficient to pay the standard rate of dividend on the ordinary share capital or stock of the Company, the excess, or such portion of it as is not carried to the insurance fund, shall be carried to the credit of the divisible profits of such undertaking for the next following year.

Power to
create a re-
serve fund
out of divi-
dends in
excess of the
standard rate
of dividend,
and applica-
tion thereof.

24. Where in any year the amount of the standard rate of dividend of the Company on the ordinary share capital or stock of the Company shall by reason of a diminution of the standard price charged by the Company in such year be increased, then, out of the amount of the divisible profits of the Company applicable to the payment of such increase, the Company may in such year set apart such sum as they shall think fit, and all sums (if any) so set apart by the Company and the reserve fund existing at the time of commencement of this Act may be invested in Government or other securities, and the dividends and interest arising from such securities may also be invested in the same or the like securities, in order that the same may accumulate at compound interest, and the fund so formed shall be called "The Reserve Fund," and shall be applicable to the payment of dividend in any year in which the clear profits of the Company shall be insufficient to enable the Company in such year to pay the standard rate of dividend on the ordinary share capital or stock of the Company, and save as in this Act otherwise provided no sum shall in any year be carried by the Company to any reserve fund.

25. The Company shall not raise any moneys by this Act or by any other Act of the Company authorised to be borrowed on mortgage, or any part of such moneys, by the creation of shares or stock instead of borrowing, or convert into capital the amount borrowed under the provisions of this Act or of any other Act of the Company, unless in either case all dividends upon such shares or stock, whether ordinary or preferential, are limited to a rate not exceeding five pounds per centum per annum.

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As to conversion of borrowed money into capital.

26. The gas supplied by the Company shall, with respect to its illuminating power, be such as to produce when consumed at the rate of five cubic feet per hour in the burner by this Act prescribed a light equal in intensity to the light produced by sixteen sperm candles of six to the pound, each burning 120 grains an hour.

Illuminating power.

27. All gas supplied by the Company shall (except in case of accident or repairs) be supplied at such pressure as to balance from midnight to sunset a column of water not less than six tenths of an inch in height, and to balance from sunset to midnight a column of water not less than one inch in height.

Pressure of gas.

28. The gas referees shall, subject to the provisions of this Act, from time to time prescribe and certify the mode to be adopted for testing and recording the illuminating power and pressure of gas supplied by the Company, and the number of the times of testing.

Mode and times of testing illuminating power and pressure.

29. The gas referees shall, with all practicable speed after their appointment, and the gas referees for the time being may from time to time thereafter, inspect the works of the Company, and investigate the processes of manufacture carried on therein, with the view of ascertaining the means adopted therein for purifying gas and for preventing nuisance, and may from time to time apply all such tests as they think expedient, at the works of the Company or elsewhere, for ascertaining the amount of sulphur and ammonia and of compounds thereof or other impurity with which gas supplied by them is charged.

Examination of gasworks by referees.

30. The Company shall give to the gas referees and each of them, and each of their clerks, servants, and workmen, access to their works, and shall when required afford to them and each of them all facilities for the proper execution of their and his duty.

Access to works.

31. The gas referees shall from time to time ascertain with what degree of purity the Company can reasonably be required to make and supply gas continuously, without occasioning a nuisance to the neighbourhood in which the works are situate, and shall thereupon prescribe and certify the maximum amount of impurity in each

Purity of gas to be prescribed.

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A.D. 1876. form with which gas supplied by the Company shall be allowed to be charged, and the time from which the allowance thereof shall be enforced as against the Company, regard being had to the necessity for any alteration of works by the Company consequent on any such certificate.

Mode and times of testing purity of gas.

32. The gas referees shall from time to time prescribe and certify the mode to be adopted for testing and recording the purity of gas supplied by the Company, and the number of the times of testing such purity.

Mode of measuring gas for public lamps.

33. The gas supplied by the Company for public lighting shall, if required by either the local authority consuming the gas or by the Company, be supplied by measurement, and the referees shall, if required by either party, from time to time prescribe and certify the mode of ascertaining the quantity of gas consumed by the public lamps.

Freedom of gas from sulphuretted hydrogen.

34. Gas supplied by the Company shall be wholly free from sulphuretted hydrogen, and nothing in this Act shall authorise the gas referees to allow of gas being charged with any amount of impurity in that form.

Provision of testing places and apparatus.

35. The gas referees shall from time to time prescribe and certify the situation and number of the testing places, and the apparatus and materials therein, for testing the illuminating power, purity, and pressure of the gas to be provided by the Company, and the Company shall provide and maintain such testing places, apparatus, and materials accordingly.

Control, &c. of testing places.

36. The prescribed testing places, materials, and apparatus provided by the Company shall be under the control and management of the Metropolitan Board.

Separate testing place for Company.

37. The Company may also have a separate testing place in the same building under their own control and management.

Description of burner for testing illuminating power.

38. The burner for testing the gas supplied by the Company shall be a Sugg's London argand, such as immediately before the passing of this Act was the burner prescribed and used by the gas referees under "The City of London Gas Act, 1868," for testing gas, three or more models of which burner shall be certified as such by the President of the Board of Trade, whereof one shall be deposited with the Warden of the Standards, and one with the Metropolitan Board, and one shall be delivered to the Company.

Appointment of gas examiner.

39. The Metropolitan Board shall, as soon as may be after the passing of this Act, appoint and shall always keep appointed a

competent and impartial person or persons to be a gas examiner or gas examiners for the several testing places within their jurisdiction.

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40. There shall be a chief gas examiner, being a competent and impartial person, from time to time appointed by and removable by the Board of Trade.

Appoint-
ment of
chief gas
examiner.

41. A gas examiner shall at each testing place make daily such number of tests as the gas referees may prescribe for ascertaining whether during the whole of each day the illuminating power, purity, and pressure of the gas supplied by the Company are such as are respectively prescribed under this Act, and in the event of the same being ascertained to be defective in any particular he shall forthwith give notice thereof to the Company.

Daily test-
ing.

42. The average of all the testings of illuminating power prescribed under this Act on each day shall be deemed to represent the illuminating power on that day.

What shall
be deemed
illuminating
power for
each day.

43. The average of all the testings of pressure prescribed under this Act from midnight to sunset, and the average of all the testings of pressure from sunset to midnight, shall be deemed to represent the pressures during each of these periods.

Pressure.

44. The average of all the testings of purity prescribed under this Act on each day shall be deemed to represent the purity on that day: Provided always, that if on any one day the gas supplied by the Company is of less purity than it ought to be under this Act, the average of all the testings under this Act made on that day and on the preceding and on the following day shall be deemed to represent the purity on such day.

Average of
testings of
purity.

45. The Company may, if they think fit, on each occasion of the testing by a gas examiner of the gas supplied by them be represented by some officer, but such officer shall not interfere in the testing.

Representa-
tion of Com-
pany.

46. Each gas examiner shall on each day make and deliver a report of the result of the testings of the gas supplied by the Company conducted by him on the immediately preceding day to the Metropolitan Board, to the gas referees, to the chief gas examiner, and to the Company, and the books kept by a gas examiner for recording the results of the testings of such gas by him shall be open at all reasonable times to the inspection of the Company, without payment.

Daily reports
and access to
books.

47. If the Company think themselves aggrieved by any report of a gas examiner, they may within seven days after the day on

Appeal to
chief gas
examiner.

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A.D. 1876. which that report is delivered to the Company appeal to the chief gas examiner, whose decision after hearing the parties shall be final and conclusive, and the chief gas examiner shall report every such decision to the Metropolitan Board.

Where no appeal the report of examiner final.

48. If in any case the Company do not appeal as aforesaid, the report of the gas examiner shall be final and conclusive.

Quarterly report of chief gas examiner.

49. Within one week after the end of each quarter of a year, the chief gas examiner shall make a report to the Metropolitan Board and to the Company on the results of the daily testings made in that quarter in connexion with each station of the Company, and shall state therein with respect to gas supplied by the Company from each station in that quarter--

- (1.) The illuminating power on each day ;
- (2.) The amount of impurity in each form on each day ;
- (3.) The pressure on each day.

Register of gas made.

50. The Company shall keep a register of all the gas delivered by them from each station on each day, and shall afford access thereto at all reasonable times to the Metropolitan Board and their respective agents, and if the Company at any time fail to comply with this section they shall for every such offence forfeit a sum not exceeding fifty pounds.

Forfeiture for defect of power.

51. If on any day the gas supplied by the Company from any station is of less illuminating power than it ought to be under this Act, the Company shall be liable to the following forfeitures : for the first half of a candle of defective power, forty shillings ; for the first and every subsequent candle of defective power, a sum equal to the value of the defective power, estimated at the rate of twenty shillings for every half candle of defective power on every one hundred thousand cubic feet, or any fractional part less than one hundred thousand cubic feet, of gas delivered from that station on the day of default.

Forfeiture for excess of impurity.

52. If on an average of three days the gas supplied by the Company from any station is of less purity than it ought to be under this Act, the Company shall forfeit a sum of fifty pounds for each station in respect of which they are so in default.

Forfeiture for insufficiency of pressure.

53. If on any day, whether during the period from midnight to sunset or during the period from sunset to midnight, the gas supplied by the Company from any station is supplied at a pressure less than it ought to be under this Act, the Company shall forfeit a sum not exceeding ten pounds for each station in respect of which they are so in default.

54. No forfeiture shall be incurred in any case with respect to which it is certified by the chief gas examiner that the defect of illuminating power, excess of impurity, or insufficiency of pressure was occasioned by an unavoidable cause or accident. A.D. 1876.
Saving for unavoidable accident.

55. The report of the chief examiner on appeal, or the report of a gas examiner after the time for appeal has elapsed and no appeal has been brought, showing a case of defective power, excessive impurity, or insufficient pressure, shall be conclusive evidence of the liability of the Company to a forfeiture in respect thereof, and every forfeiture under this Act shall be leviable by distress, and on proof of any such report before two justices or a magistrate at any time within one month after the date of the report such justices or magistrate shall issue their or his warrant of distress accordingly. Evidence of liability to forfeiture.

56. Every such forfeiture, or any loss arising from fraud of the servants of the Company, which the auditor (appointed as in this Act provided) shall certify has arisen from want of due diligence on the part of the directors, shall be borne and paid to the satisfaction of such auditor exclusively by and out of the divisible profits of the Company, and by way of reduction of dividend. Forfeiture and losses from fraud, &c.

57. There shall be an auditor of the accounts of the Company, being a competent and impartial person, from time to time appointed by and removable by the Board of Trade, which auditor is in this Act referred to as the auditor. Auditor of accounts.

58. The auditor shall with all practicable speed, after the commencement of this Act, investigate the accounts of the Company, and ascertain and certify the amount of its capital, distinguishing share from loan capital, and shall from time to time as new capital shall be expended in like manner ascertain and certify such new capital. Ascertainment of capital of Company.

59. The auditor shall from time to time prescribe the form of accounts to be kept by the Company. Form of accounts.

60. The auditor shall during every half year, as and when he thinks fit, inspect the accounts of the Company and audit the same, and if he finds the same correct he shall certify the same, but if he finds the accounts incorrect in principle or in detail he shall require the Company to correct the same in such manner as he thinks right; and he may, if he thinks fit, grant a conditional certificate, so as to authorise the payment of a dividend subject to Periodical audit.

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correction if need be, and except in the case of a conditional certificate a dividend shall not in any case be declared until the accounts are certified by the auditor. The accounts as and when certified shall be forthwith laid before both Houses of Parliament, if Parliament be then sitting, and if Parliament be not then sitting, within seven days after the commencement of the then next session of Parliament.

Facilities for auditor, &c.

61. The Company shall give the auditor, his clerks and assistants, access to the books and documents of the Company, and shall, when required, furnish to him or them all vouchers and information requisite for the purposes of the audit, and shall afford to him and them all facilities for the proper execution of his and their duty.

Arbitration between parties.

62. If the Metropolitan Board or the Company think themselves aggrieved by any act, determination, or omission of the auditor, the matter in difference shall be referred to the determination of an arbitrator to be agreed on between them and the auditor, or in default of agreement to be appointed on the application of any of the parties by the Lord Chief Justice of the Common Pleas, and the reference shall be subject and according to the provisions of "The Common Law Procedure Act, 1854," and the costs of the arbitration shall be at the discretion of the arbitrator, whose decision shall with respect to all such matters be final and conclusive, and, subject to this provision, the directions and determinations of the auditor shall be final and conclusive.

Penalties not to be cumulative.

63. Penalties imposed on the Company for one and the same offence by this Act and by the several Acts of Parliament relating to the Company are not cumulative.

Providing for amalgamation of the Company.
31 & 32 Vict. c. cxxv. ss. 18 to 24.

64. The Company may at any time after the passing of this Act amalgamate its undertaking with that of any other gas company supplying gas in the metropolis on the south side of the Thames, except the Crystal Palace District Gas Company: Provided that the conditions and restrictions contained in "The City of London Gas Act, 1868," under the head of "amalgamation," shall apply to such amalgamation, and the said sections shall be deemed to be incorporated with this Act, and the term "the Companies" in the 18th section of the said Act shall be deemed to apply to the Company and to any other company or companies, except as aforesaid, with whom such amalgamation is sought: Provided that the said section 18 shall be read as though there were no limitation of time therein.

[39 & 40 VICT.] *The South Metropolitan Gaslight and Coke Company's Act, 1876.* [Ch. ccxxix.]

A.D. 1876.

65. The costs, charges, and expenses preliminary to and of and incidental to the preparing of and applying for and the obtaining and passing of this Act shall be paid by the Company.

Expenses of
Act.

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