



CHAPTER ix.

An Act to enable the Chester United Gas Company to raise additional Capital. A.D. 1880.
[29th June 1880.]

WHEREAS by the Chester Gas Act, 1858, the Chester United Gas Company (who are herein referred to as the Company) were incorporated, and by that Act and the Chester Gas Act, 1870, (herein-after called "the recited Acts,") further powers were conferred upon the Company for lighting with gas the city and borough of Chester, and the suburbs thereof, and for raising money: 21 & 22 Vict.
c. vi.
33 & 34 Vict.
c. i.

And whereas the Company were by the recited Acts authorised to raise the sum of eighty thousand pounds by shares and twenty thousand pounds by borrowing, and they have raised and expended under the recited Acts the whole of such capital except six thousand pounds of the capital authorised to be raised by shares, and two thousand five hundred pounds of the sum which they are authorised to borrow:

And whereas it is expedient and necessary, in order to enable the Company to meet the increasing demand for gas within the limits authorised to be supplied by the Company, that they should be authorised to raise further capital in manner by this Act authorised:

And whereas for this purpose the authority of Parliament is necessary:

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; (that is to say,)

1. This Act may be cited as the Chester Gas Act, 1880.

Short title.

2. The Chester Gas Act, 1858, as amended by the Chester Gas Act, 1870, and by this Act, and the Chester Gas Act, 1870, as amended by this Act, shall be construed as one Act with this This Act and
21 & 22 Vict.
c. vi. and
33 & 34 Vict.
c. i. to be

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construed as
one Act.Incorporation of
34 & 35 Vict.
c. 41.Incorporation of
general Acts.
8 & 9 Vict.
c. 16.26 & 27 Vict.
c. 118.
32 & 33 Vict.
c. 48.

Interpretation of terms.

Power to
raise additional share
capital.

Act, except so far as such construction would be inconsistent with or repugnant to the provisions of this Act.

3. The Gasworks Clauses Act, 1871, shall apply to the undertaking of the Company as if the same had been authorised by this Act: Provided always, that the provisions of sections 55, 56, 59, 63, and 67 of the Chester Gas Act, 1858, shall, notwithstanding such incorporation, remain in full force and effect.

4. 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 borrowing of money by the Company on mortgage or bond;

The conversion of the borrowed money into capital;

The consolidation of shares into stock;

The making of dividends;

The giving of notices;

The provisions for affording access to the special Act by all parties interested;

and Part I. (relating to cancellation and surrender of shares), and Part II. (relating to additional capital), and Part III. (relating to debenture stock) of the Companies Clauses Act, 1863, and the Companies Clauses Act, 1869, are, except where expressly varied by this Act, incorporated with and form part of this Act.

5. In this Act the several words and expressions to which meanings are assigned by the Acts wholly or partially incorporated herewith have the same respective meanings, unless there be something in the subject or context repugnant to such construction, and "the Company" means the Chester United Gas Company; and for the purposes of this Act the expression "superior courts" or "court of competent jurisdiction," or any other like expression in this Act or any Act wholly or partially incorporated with this Act, shall be read and have effect as if the debt or demand with respect to which the expression is used were a simple contract debt, and not a debt or demand created by statute.

6. In addition to the capital authorised by the recited Acts, the Company may, by virtue of this Act, raise such further sums as they from time to time think requisite, not exceeding in the whole fifty thousand pounds.

7. The additional capital by this Act authorised shall be raised by the creation and issue of new shares or new stock, ordinary or preference, or partly ordinary and partly preference, at the option of the Company, but no such shares, whether ordinary or preference, shall be of less nominal value than ten pounds, nor shall any such share vest in the person or corporation accepting the same unless and until the full nominal amount of such share or stock, together with any premium obtained upon the sale thereof, shall have been paid in respect thereof: Provided that it shall not be lawful for the Company to create and issue under the powers of this Act any greater nominal amount of capital than shall be sufficient to produce, including any premiums which may be obtained on the sale thereof, the sum of fifty thousand pounds: Provided also, that the Company shall not create and issue within the year following the passing of this Act any greater nominal amount of capital than shall be sufficient to produce in manner aforesaid twenty-five thousand pounds, or within any subsequent year five thousand pounds.

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Mode of
raising
additional
capital.

8. If in any year or years the Company have not created and issued capital to the full amount herein-before prescribed in relation to such year or years, they may in any subsequent year create and issue, in addition to the amount prescribed for such year, such a nominal amount of capital as shall be sufficient, together with the amount then raised, to produce in manner aforesaid twenty-five thousand pounds in respect of the year following the passing of this Act, and five thousand pounds in respect of every subsequent year then expired.

If authorised
capital for
any year not
raised, the
amount may
be made up.

9. 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 at a premium or not, offer the same for sale by public auction or by tender 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 no single lot shall comprise more than one hundred pounds nominal value of shares or stock, and that 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, and provided that no priority of tender shall be allowed to any holder of shares or stock in the Company.

New shares,
&c. to be
offered by
auction or
tender.

Purchase money of capital sold by auction to be paid within three months.

Notice to be given as to sale, &c. of shares.

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

Application of premium arising on issue of shares or stock.

Limitation of contingency fund under 8 & 9 Vict. c. 16.

Limit of dividend on new capital.

10. It shall be one of the conditions of any sale of shares or stock under this Act that the whole nominal amount thereof, together with any premiums given by any purchaser at such sale, shall be paid to the Company within three months after such sale.

11. The intention to sell any such shares or stock by auction or by tender shall be communicated in writing to the town clerk of the city of Chester 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 once in each of two consecutive weeks in one or more local newspapers circulating within the said city of Chester.

12. When any shares or stock created under the powers of this Act have been offered for sale by auction or 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 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.

13. 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.

14. The total amount to be set aside in any one year by the Company out of profits for the purposes of a contingency fund under the provisions of the one hundred and twenty-second section of the Companies Clauses Consolidation Act, 1845, shall not exceed a sum equal to ten shillings per centum of the paid-up share capital of the Company for the time being, and the total amount of such contingency fund as accumulated shall not exceed at any time a sum equal to one-thirtieth part of such paid-up capital for the time being.

15. The Company shall not in any year, except for the purpose of making up the deficiency of dividend in any former year or years, as herein-after provided, pay out of their profits any larger

dividend on the additional capital in shares or stock to be raised under the powers of this Act than at the rate of seven pounds in respect of every one hundred pounds actually paid up of such capital as shall be issued as ordinary capital, or six pounds in respect of every one hundred pounds actually paid up of such capital as shall be issued as preference capital.

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16. In respect of the various classes of ordinary stock or shares created under the recited Acts or either of them, or under this Act, the Company shall not make up the deficiency in any dividend which shall have fallen short of the prescribed rates after the expiration of three years from the period at which such deficiency shall have arisen: Provided always, that if the clear profits of the undertaking shall for three successive years amount to a sum greater than the sum required to pay the prescribed rates of dividend on such ordinary stock or shares, it shall be lawful for the mayor, aldermen, and burgesses of the city of Chester to call upon the Company to make such a reduction upon the maximum rates for the supply of gas as, having regard to the provisions of the Gasworks Clauses Act, 1847, with respect to the formation and appropriation of a reserve fund, may be considered reasonable, such reduction to be settled by arbitration, in case of difference, in the manner prescribed by the Companies Clauses Consolidation Act, 1845, with respect to the settlement of disputes by arbitration, and it shall thereafter be lawful for the Company from time to time, in the event of the clear profits of the Company becoming or being insufficient to meet the prescribed dividends, to claim a new arbitration, and the award or awards to be made from time to time under such arbitration or arbitrations shall so long as no new arbitration is claimed be final and binding on the parties.

Restriction on payment of deficiency in back dividends, and as to reduction in price of gas in certain events.

10 & 11 Vict. c. 15.

17. The proprietors of any shares or stock to be issued under the authority of this Act shall be entitled to such number of votes in respect thereof as the nominal amount represented by such shares or stock would have entitled them to if the same had been original shares or stock of the Company.

As to votes of proprietors of shares or stock.

18. The sums available for dividend upon the various classes of ordinary stock or shares in the capital of the Company created under the recited Acts or either of them, or this Act, shall, up to and until the respective prescribed maximum rates of dividend on such respective stock or shares have been reached, be apportioned and paid to the holders of such stock or shares rateably, in proportion to the amount for the time being paid up in respect of such stock or shares respectively.

Dividends on various classes of stock or shares.

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Power to
borrow on
mortgage.

19. In addition to all moneys which the Company are authorised to borrow by the recited Acts or either of them, the Company may from time to time borrow on mortgage, in respect of the additional capital by this Act authorised to be raised by shares or stock, the sum of twelve thousand five hundred pounds in manner following; (that is to say,) in sums not exceeding one fourth of the amount of the additional capital for the time being created and issued in respect of which shares or stock shall have been issued and accepted, and one half of the nominal amount thereof paid up, but no moneys shall be borrowed until the Company 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 such portion of the additional capital in respect of which the power to borrow is sought to be exercised have been issued and accepted, and that one half thereof has been paid up, and that not less than one-fifth part of the amount of each separate share in such respective portion of capital has been paid on account thereof before or at the time of the issue or acceptance thereof, and until stock for one half of such respective portion of capital as is to be raised by means of stock is fully paid up, and the Company have proved to such justice as aforesaid, before he so certifies, that such shares or stock, as the case may be, were issued and accepted and paid up *bonâ fide*, and are held by the persons or corporations to whom the same were issued, or their executors, administrators, successors, or assigns, and also, if the said capital is raised by shares, that such persons or corporations, or their executors, administrators, successors, or assigns, are legally liable for the same; 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.

As to con-
version of
borrowed
money into
capital.

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

Former
mortgages
and bonds to
have priority.

21. The mortgages and bonds granted by the Company in pursuance of the powers of any Act of Parliament before the passing of this Act, and subsisting at the time of the passing of this Act, shall during the continuance of such mortgages and bonds, and subject to the provisions of the Acts under which the same were

respectively granted, have priority over any mortgages granted by virtue of this Act, but nothing in this section contained shall affect any priority of the interest of any debenture stock at any time created and issued by the Company.

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22. Section 13 of the Chester Gas Act, 1870, is hereby repealed, but without prejudice to any appointment heretofore made or to any proceedings pending at the passing of this Act, and in the stead thereof be it enacted as follows: The mortgagees of the Company may enforce payment of arrears of interest or principal, or principal and interest, due on their mortgages by the appointment of a receiver. In order to authorise the appointment of a receiver in respect of arrears of principal, the amount owing to the mortgagees by whom the application for a receiver is made shall not be less than three thousand pounds in the whole.

As to
appointment
of a receiver.

23. The Company may create and issue debenture stock, 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 after the passing of this Act created and issued by the Company shall rank *pari passu* with the interest of all mortgages at any time after the passing of this Act granted by the Company, and shall have priority over all principal moneys secured by such mortgages.

Debenture
stock.

24. All money to be raised by the Company on mortgage or debenture stock under the provisions of this Act shall have priority against the Company, and the property from time to time of the Company, over all other claims on account of any debts incurred or engagements entered into by them after the passing of this Act: Provided always, that this priority shall not affect any claim against the Company or their property in respect of any rentcharge granted or to be granted by them in pursuance of the Lands Clauses Consolidation Act, 1845, or the Lands Clauses Consolidation Act Amendment Act, 1860, or in respect of any rent or sum reserved by or payable under any lease granted or made to the Company, in pursuance of any Act relating to the Company, which is entitled to rank in priority to or *pari passu* with the interest or dividend on their mortgages or debenture stock.

Priority of
mortgages
and de-
benture
stock over
other debts.8 & 9 Vict.
c. 18.
23 & 24 Vict.
c. 106.

25. All moneys raised by the Company under this Act, whether by shares, stock, debenture stock, or borrowing, shall be applied for the purposes only of the Company.

Application
of moneys.

26. Notwithstanding anything in the Chester Gas Act, 1858, contained, two ordinary general meetings of the Company shall be

Company to
hold two
ordinary

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general
meetings
annually.

held in each year, one in the month of February and another in the month of August respectively, and at any such meeting in August an interim dividend for the preceding half-year may be declared, subject to the provisions of the one hundred and twentieth section of the Companies Clauses Consolidation Act, 1845, with respect to preparing and submitting to every meeting of a scheme showing the profits of the Company for the period current since the preceding ordinary general meeting, and the balance sheet to be produced at every meeting shall embrace and extend to the transactions of the Company made up to the thirty-first day of December or the thirtieth day of June, as the case may be, for the half-year preceding the meeting at which such balance sheet is to be produced.

Receipt
clause in
case of
persons not
sui juris.

27. If any money be payable to a holder of shares or stock in the Company being a minor, idiot, or lunatic, the receipt of the guardian or committee of his estate shall be a sufficient discharge to the Company.

Company to
pay interest
on money
deposited for
gas meter.

28. If any person is required by the Company to give to them security for the payment of the price or rent of a meter, the Company shall pay interest after the rate of five pounds per centum per annum on every sum of ten shillings deposited by way of such security for every six months during which the same remains in their hands.

Pressure of
gas.

29. All gas supplied by the Company to any consumer of gas shall be supplied at such pressure as to balance a column of water from midnight to sunset of not less than six tenths of an inch, and from sunset to midnight of not less than eight tenths of an inch in height at the main, as near as may be to the junction therewith of the service pipe supplying such consumer; and any gas examiner appointed under the Gasworks Clauses Act, 1871, may, subject to the terms of his appointment, from time to time test the pressure at which the gas is supplied, and may for that purpose open any street, road, passage, or place vested in or under the control of any local or road authority, and the provisions of the Gasworks Clauses Act, 1871, with reference to testing of gas and to penalties, shall, mutatis mutandis, apply to such testing of pressure: Provided that on each occasion of such testing sufficient notice in writing shall be given to the Company of the time and place at which the same shall be conducted, to enable them to be represented.

Provisions
as to quality
of gas,
burner, and

30. The prescribed quality of gas, the burner, and the testing-place for the purposes of the Gasworks Clauses Act, 1871, shall be the quality, burner, and testing-place respectively prescribed by

sections seventy-one and seventy-two of the Chester Gas Act, A.D. 1880. 1858, and the Company shall not manufacture gas or residual products except upon the lands described in section fifty-four of that Act. ^{testing-place,} &c.

31. The costs, charges, and expenses of and incidental to the preparing, applying for, obtaining, and passing of this Act shall be paid by the Company. ^{Expenses of Act.}

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