



CHAPTER ccii.

An Act to confer further powers on the Teign Valley Railway Company in relation to their undertaking, and for other purposes. A.D. 1881.
[11th August 1881.]

WHEREAS the Teign Valley Railway Company (in this Act called "the Company") were incorporated by the Teign Valley Railway Act 1863, and were thereby empowered to make and maintain the Teign Valley Railway, and to create a share capital of forty-five thousand pounds and to borrow to the extent of fifteen thousand pounds, but such borrowing power was never exercised, and has since been annulled by the scheme of one thousand eight hundred and sixty-seven, herein-after recited: 26 & 27 Vict.
c. clix.

And whereas by the Teign Valley Railway Act 1865 the Company were authorised to raise further sums not exceeding thirty thousand pounds by new shares, with power to borrow an additional sum not exceeding ten thousand pounds, but no capital has been raised under the Act of 1865, and the borrowing power under that Act has never been put in force, and has been since annulled by the scheme next herein-after recited: 28 & 29 Vict.
c. cliv.

And whereas by a scheme of arrangement filed the twenty-ninth day of October one thousand eight hundred and sixty-seven, and duly confirmed and enrolled, powers were conferred on the Company of creating and issuing debenture stock to be called (A), (B), and (C) debenture stock, to the amount in the whole of seventy-nine thousand pounds, divided into classes as therein mentioned, and in pursuance of such powers the Company issued twenty-five thousand six hundred and fifty pounds (A) debenture stock and no more, and two thousand pounds (B) debenture stock and no more. All such debenture stock was subsequently paid off and extinguished under the scheme of one thousand eight hundred and seventy-seven herein-after recited, and all other borrowing powers of the Company were extinguished by the scheme now in recital:

And whereas by the Teign Valley Railway Act 1868, and the Teign Valley Railway Act 1870, the periods limited for the con- 31 & 32 Vict.
c. xcix.
33 & 34 Vict.
c. clii.

A.D. 1881. — construction of the Teign Valley Railway were extended and certain deviations and working arrangements with other companies were authorised :

35 & 36 Vict.
c. cxcv. And whereas by the Teign Valley Railway Act 1872 certain other extensions were authorised and the Company were authorised to create an additional share capital of seventy-two thousand pounds with power to borrow twenty-four thousand pounds and all other borrowing powers under the previous Acts and scheme so far as they had not been exercised were annulled. Under the Act now in recital no shares have been issued, and the power of borrowing thereby conferred was by the scheme of one thousand eight hundred and seventy-seven herein after recited limited to the sum of ten thousand pounds and to that extent has been exercised :

38 & 39 Vict.
c. clxxxiii. And whereas by the Teign Valley Railway Extension Act 1875 the Company were authorised to make a further railway therein called an extension railway, and to create extension shares, and to borrow on the sole security of the extension railway sums not exceeding fifty thousand pounds. And it was declared that the mortgages or debenture stock of the Company created or issued or to be created or issued should not comprise or affect the extension railway, but no capital has ever been raised under the Act now in recital, and the powers conferred thereby to issue share or loan capital have been annulled under the provisions of the Teign Valley Railway Act 1880 herein-after recited :

43 & 44 Vict.
c. cc.

And whereas by a further scheme of arrangement, filed the seventeenth day of February, one thousand eight hundred and seventy-seven, and duly confirmed by the Chancery Division of the High Court of Justice, an issue of share capital of seventy-two thousand pounds (being, in fact, the same share capital as was authorised to be created by the Act of 1872) was authorised to be issued in the following manner :—

1. Forty thousand pounds No. 1 preference shares, the proceeds to be applied towards construction of the line and purchase of land ;
2. Twenty-two thousand pounds No. 2 preference shares, the proceeds to be applied in extinguishing the (A) and (B) debenture stock, and in carrying out certain arrangements with the contractor ;
3. Ten thousand pounds No. 3 preference shares, the proceeds to be applied in discharge of liabilities

and have been issued accordingly :

41 & 42 Vict.
c. cxxix.

And whereas by the Teign Valley Railway Act 1878 certain deviations were authorised, and the time for the completion of the line was extended :

And whereas by a further scheme of arrangement, filed the twenty-sixth day of June, one thousand eight hundred and seventy-nine, and duly confirmed by the Chancery Division of the High Court of Justice, the Company were authorised to borrow fourteen thousand pounds on debentures, the interest on which was to be wholly borne by the No. 1 preference shares before referred to, and such sum of fourteen thousand pounds, with the addition of the sum of ten thousand pounds authorised to be issued by the Act of 1872, as modified by the scheme of 1877, makes up a debenture debt of twenty-four thousand pounds, which is the subsisting debenture debt of the Company :

A.D. 1881.

And whereas by the Teign Valley Railway Act 1880 the abandonment of certain parts of the extension railway was authorised, and the powers to issue share and loan capital conferred by the Act of 1875 were annulled, and the issue of forty thousand pounds share capital, and the borrowing of thirteen thousand three hundred pounds on debenture was authorised, and the Company were also authorised to enter into working arrangements with the Great Western Railway Company, but no share capital has yet been issued, and no money has been borrowed by virtue of the provisions contained in the Act now in recital :

And whereas under the provisions of the herein-before recited Acts and schemes, and the steps taken under their authority, the capital of the Company now consists of £40,000 in 8,000 No. 1 5 per centum preference shares of £5 each, £22,000 in 4,400 No. 2 5 per centum preference shares of £5 each, £10,000 in 2,000 No. 3 5 per centum preference shares of £5 each, £20,740 in 1,037 ordinary shares of £20 each; and the debenture debt of the Company consists of twenty-four thousand pounds in five pounds per centum debentures, which fall due on the first day of July, one thousand eight hundred and eighty-two, and which are herein-after referred to as "the existing debenture debt." And in addition to such shares and debenture debt the Company has power to issue under the the Act of 1880 shares to the amount of forty thousand pounds, and debentures or other securities to the amount of thirteen thousand three hundred pounds for the purposes and in manner in the said Act mentioned; but it is not intended by this Act to prejudice or affect such last-mentioned powers :

And whereas under powers conferred by the Teign Valley Railway Act, 1880, the Company have, by heads of agreement, dated the ninth day of June, 1879, agreed with the Great Western Railway Company for the working of the railway, constructed in pursuance of the before-mentioned special Acts, by the Great

A.D. 1881.

Western Railway Company, on the terms of the Great Western Railway Company paying to the Company forty-five per centum of the gross receipts and a yearly rentcharge of twelve hundred pounds per annum :

And whereas the whole of the land required for the construction of the railway authorised by the before mentioned special Acts has been purchased, or agreed to be purchased, and the said railway has been in part completed :

And whereas numerous proceedings have from time to time been taken by creditors of the Company, and are now pending against the land and moveable property belonging to the Company, and in consequence of such proceedings the completion of the line has been delayed, and, inasmuch as the Company have no assets available to answer the claims of creditors, such creditors are in a position to recover judgment and sue out execution against the Company :

30 & 31 Vict.
c. 127.

And whereas on the thirty-first day of December, one thousand eight hundred and eighty, the Company filed a scheme of arrangement under the provisions of the Railway Companies Act 1867, setting forth that they were unable to meet their engagements, and proposing an arrangement similar to the arrangements authorised by this Act, but it was found impossible to carry such an arrangement into effect, except with the authority of Parliament, and such scheme accordingly has not been proceeded with :

And whereas it is expedient to provide for the debts and liabilities of the Company, and to enable the Company to make an arrangement with their creditors, so as to complete and carry on the undertaking authorised by the special Acts herein-before referred to, and for that purpose to confer upon the Company the power of issuing debenture stock bearing preferential interest at four per centum per annum, to be substituted for or used in the extinguishment of the existing debenture debt of the Company, which bears interest at the rate of five pounds per centum per annum, and to raise on debenture stock an additional sum of thirty-five thousand pounds in such manner and for such purposes as are herein-after mentioned, and that such modifications should be made in the rights of the holders of the preference shares of the Company as are herein-after set forth :

And whereas the Bill for this Act has been approved in writing by upwards of three fourths in value of each class of preference shareholders of the Company :

And whereas the objects aforesaid 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 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):—

A.D. 1881.

1. This Act may be cited as the Teign Valley Railway Act 1881. Short title.

2. From and after the passing of this Act no action, execution, attachment, or other proceeding against the Company or affecting the property thereof (except proceedings against the Company in respect of liabilities contracted after the passing of this Act) shall be continued or commenced during the period of one year after the passing of this Act, except with the leave of the Chancery Division of the High Court of Justice, to be obtained on motion or petition in a summary way, upon such terms as the said court shall in that behalf impose: Provided always, that the costs of any action, execution, attachment, or other proceeding against the Company or affecting the property thereof, which shall be discontinued pursuant to this section, shall be in the discretion of the court. Suspense period during which actions, &c. against the Company are restrained.

3. The Company may with the authority of three fourths of the votes of their shareholders voting in person or by proxy at a general meeting of the Company convened with notice of the object from time to time create and issue debenture stock to a nominal amount not exceeding twenty-four thousand pounds, to be called "(A) Debenture Stock," instead of and to the same amount as the whole or any part of the money which at the time of the issue of such stock shall be owing by the Company in respect of the existing debenture debt, and they may attach to the stock so created such fixed and perpetual interest not exceeding the rate of four pounds per centum per annum, payable half-yearly or otherwise, and commencing at once or at any future time or times when and as the debenture stock is issued or otherwise as the directors may by resolution determine. Power to create £24,000 (A) debenture stock.

4. The said sum of twenty-four thousand pounds (A) debenture stock, with the interest thereon, shall be a charge upon the undertaking of the Company (other than the extension railway authorised by the Teign Valley Railway Extension Act 1875) prior to all shares or stock of the Company except the existing debenture debt, and shall be transmissible and transferable in the same manner and according to the same regulations and provisions as other stock of the Company. (A) debenture stock to be a first charge.

5. The interest on (A) debenture stock shall have priority of payment over all dividends or interest on any shares or stock of the Interest on (A) debenture stock to have

A.D. 1881.
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priority over
all dividends
and interest.

Company except interest on the existing debenture debt. But the holders of such (A) debenture stock shall not as between themselves be entitled to any preference or priority.

Remedies of
holders of
(A) debenture
stock.
26 & 27 Vict.
c. 118.

6. The holders of (A) debenture stock shall have the same remedies for the interest thereon as are prescribed with reference to debenture stock issued in pursuance of the Companies Clauses Act 1863, Part III., and the provisions contained in the last-mentioned Act, Part III. as to the registration of debenture stock and the delivery of certificates to the holders of debenture stock, shall apply to (A) debenture stock issued under the provisions of this Act.

Rights, &c.,
of holders of
(A) debenture
stock.

7. (A) debenture stock shall not entitle the holders thereof to be present or vote at any meeting of the Company, or confer any qualification, but shall be considered as entitling the holders to the rights and powers of mortgagees of the undertaking, exclusive of the undertaking authorised by the Teign Valley Railway Extension Act 1875, other than the right to require repayment of the principal money paid up in respect of the said debenture stock.

Application
of money
raised by (A)
debenture
stock.

8. Money raised by (A) debenture stock shall be applied exclusively in paying off the money due by the Company on the existing debenture debt.

Separate ac-
counts to be
kept of (A)
debenture-
stock.

9. Separate and distinct accounts shall be kept by the Company showing how much money has been received for or on account of (A) debenture stock, and how the money so received has been applied.

Company
may by
agreement
issue (A)
debenture
stock in
exchange for
existing de-
benture debt.

10. The Company may at any time or times hereafter by agreement with any person or persons holding or entitled to any of the existing debenture debt issue (A) debenture stock created under the provisions of this Act in exchange for any part of the existing debenture debt, and upon such exchange being effected the debentures representing the existing debenture debt received by the Company in exchange shall be extinguished and not re-issued, and all trustees, executors, and administrators, guardians, and committees of lunatics or idiots, trustees in bankruptcy, trustees and inspectors under deeds of arrangement or composition, liquidators of companies and corporations entitled or interested in the existing debenture debt, may accept (A) debenture stock created under the provisions of this Act in exchange for the existing debenture debt to which they shall be entitled, or in which they shall be interested.

Power to
issue (B) and
(C) debenture
stocks.

11. Without prejudice to the powers herein-before conferred and in addition thereto the Company may with the authority of three fourths of the votes of their shareholders voting in person or by proxy at a general meeting of the Company convened with notices

of the object create further debenture stock to an amount not exceeding in the whole thirty-five thousand pounds, such debenture stock to be irredeemable and to bear interest at the rate of four pounds per centum per annum from the date of issue. Of such debenture stock the sum of fifteen thousand pounds shall be issued as (B) debenture stock, and shall with the interest thereon be a charge on the undertaking of the Company (other than the extension authorised by the Teign Valley Railway Extension Act 1875) prior to all other shares or stock of the Company except the existing debenture debt, and the (A) debenture stock issued in pursuance of the provisions of this Act, and the sum of twenty thousand pounds shall be issued as (C) debenture stock, and shall, with the interest thereon, be a charge on the undertaking of the Company (other than the extension authorised by the Teign Valley Railway Extension Act 1875) prior to all other shares or stock of the Company except the existing debenture debt, and the (A) and (B) debenture stocks issued in pursuance of the provisions of this Act.

12. The moneys to be raised by the issue of (B) debenture stock shall be applied and expended for the following purposes, and in the following order, and for no other purpose, and shall be free from all claims of any person or persons whomsoever, whether shareholders or creditors of the Company, except such persons as may be entitled to receive the same by virtue of this provision (that is to say) :—

Application of moneys raised by (B) debenture stock.

First. In payment of the expenses of and incident to preparing for, obtaining, and passing of this Act, including the expenses which have been incurred by the Right Honourable Lawrence Baron Haldon, the chairman of the Company, or for which he is liable in relation to an arrangement under which the whole of the (B) debenture stock has been secured to be taken and paid up, and for a special survey of the railway and works of the Company with a view to that arrangement.

Secondly. In and to the satisfaction of any liabilities of the Company now outstanding to any person or persons for or on account of lands purchased or agreed to be purchased from them by or on account of the Company, and in and to the construction of the Company's line of railway and works, and to the purchase of the necessary lands for carrying out the Company's undertaking, and in and to the expenses, legal, parliamentary, or otherwise, which have been or may be properly incurred in or about such construction or purchase.

Thirdly. In or towards carrying into execution the general purposes of the Company under their several Acts and schemes of arrangement.

A.D. 1881. — Provided always, that in case the said line of railway other than the extension aforesaid shall not be completed and opened for traffic before the first day of January, one thousand eight hundred and eighty-three, then such part (if any) of the moneys authorised to be raised by the issue of (B) debenture stock as may not then have been called up shall not be called up, and such part of the moneys called up thereon as shall not have been actually expended shall be returned to the holders of the (B) debenture stock rateably, and shall not be applied to any other purpose.

Application of moneys raised by (C) debenture stock.

13. The moneys to be raised by the issue of (C) debenture stock shall be applied and expended for the following purposes:—

First. In and to the satisfaction of the outstanding liabilities of the Company other than the liabilities referred to in the last preceding clause including interest on such of the outstanding liabilities (if any) payable out of the said moneys as carry interest;

Secondly. In or towards carrying into execution the general purposes of the Company under their several Acts and schemes of arrangement to which capital is properly applicable.

(B) and (C) debenture stocks to be subject to Part III. of 26 & 27 Vict. c. 118.

14. Except as by this Act otherwise provided the (B) and (C) debenture stocks created under the provisions of this Act shall be subject to the provisions contained in the Companies Clauses Act 1863, Part III. (relating to debenture stock).

Terms, &c. of debenture stocks to be stated in certificates.

15. The terms and conditions on which the several classes of debenture stock are created and issued under the provisions of this Act shall be stated in the certificates relating thereto respectively.

Reservation of certain powers under 38 & 39 Vict. c. clxxxiii. and

16. Nothing in this Act contained shall prejudice or affect the power of the Company to create and issue the forty thousand pounds of share capital for the purposes and in manner authorised by the Teign Valley Railway Act 1880.

43 & 44 Vict. c. cc.

Income of the Company to be paid into London and County Bank or branches.

17. From and after the passing of this Act the net income of the Company, whether receivable by the Company under the agreement entered into between the Company and the Great Western Railway Company in pursuance of the provisions in that behalf contained in the Teign Valley Railway Act 1880, or otherwise (except such sum not exceeding at any one time the sum of two hundred pounds, which may be retained for ordinary office expenses and petty cash disbursements) shall be paid into the London and County Bank Limited, or such one of its branches as the directors from time to time determine, to an account to be opened there in the names of the chairman and deputy chairman for the time being of the Company, and a third person to be from time to time nominated by such

chairman and deputy chairman, and the receipt of such three persons or any two of them shall be a valid and effectual receipt to the London and County Bank Limited for all sums paid into the said account, which shall be paid by the bank upon the cheque or by the direction of such persons. A.D. 1881.

18. The moneys for the time being standing to the account directed to be opened by the last preceding section shall be applied to the objects following in the priority in which they are enumerated (that is to say):— Application of income.

First. In payment of the expenses, salaries, and charges of the directors, secretary, solicitors, and other officials of the Company, and the ordinary office expenses of the Company, so far as the same are not met out of the sum retained in accordance with the last preceding section or such of them as are properly payable out of income;

Second. In payment of interest due on the several classes of debenture stock whether existing at the date of the passing of this Act or created in pursuance of the powers herein-before conferred;

Third. Subject and without prejudice to the claims of the creditors of the Company in payment of a dividend at the rate of two pounds ten shilings per centum per annum on the No. 1 preference shares issued by the Company;

Fourth. Subject as last aforesaid in payment of a dividend at the rate of four pounds per centum per annum on the No. 2 preference shares issued by the Company;

Fifth. Subject as aforesaid in payment of a dividend at the rate of four pounds per centum per annum on the No. 3 preference shares issued by the Company;

Sixth. Subject as aforesaid in payment to the holders of the several classes of preference shares respectively of the Company in the order of preferences respectively of such sums as shall together with any sum or sums which they may have previously received by way of interest or dividend on their said preference shares respectively make a sum equal to an average dividend of five pounds per centum on their said preference shares respectively from the date of the opening of the railway for the public conveyance of traffic;

Seventh. Subject as aforesaid in payment of dividends on the ordinary shares of the Company.

19. The preference shareholders of all classes shall be entitled to the several and respective dividends herein-before directed to be paid to them and to no further or other dividend, and, except as herein-before expressly provided, no preference dividend shall be Dividends on preference shares not to be cumulative.

[Ch. ccii.] *Teign Valley Railway Act, 1881.* [44 & 45 VICT.]

A.D. 1881. cumulative, nor shall a deficiency of dividend in one year be made up out of the profits of any subsequent year.

Previous borrowing powers annulled.

20. Except as herein otherwise provided every provision in any of the Company's special Acts passed before the present session of Parliament, and all powers conferred by any of the schemes hereinbefore mentioned authorising the raising of money by the Company shall be deemed to be annulled, except in so far as they are requisite for the purposes of this Act, but nothing in this Act contained shall prejudice or affect the rights of the holders of the existing debenture debt.

Quorum of directors.

21. From and after the passing of this Act the quorum of a meeting of directors shall be three.

Deposits for future bills not to be paid out of capital.

22. The Company shall not out of any money by this Act authorised to be raised pay or deposit any money which by any standing order of either House of Parliament now or hereafter in force may be required to be deposited in respect of any application to Parliament for the purpose of obtaining an Act authorising the Company to construct any other railway or to execute any other work or undertaking.

Provision as to general railway Acts.

23. Nothing in this Act contained shall exempt the Company or the railway from the provisions of any general Act relating to railways or the better or more impartial audit of the accounts of railway companies now in force, or which may hereafter pass during this or any future session of Parliament or from any future revision or alteration under the authority of Parliament of the maximum rates of fares and charges, or of the rates for small parcels authorised by any Act of the Company.