



CHAPTER lxxxiii.

An Act to increase the capital powers of the South Metropolitan Gas Company and for other purposes. A.D. 1932.
[12th July 1932.]

WHEREAS the South Metropolitan Gas Company (hereinafter called "the Company") were incorporated by an Act passed in the year one thousand eight hundred and forty-two and under the provisions of that Act and Acts subsequently passed and schemes of amalgamation confirmed by Orders in Council relating to the Company and their undertaking are supplying gas within certain parishes and places in the county of London and within parts of the counties of Surrey and Kent :

And whereas the Company are authorised to raise capital to the amount of eight million seven hundred and forty-seven thousand three hundred and ninety-five pounds :

And whereas by the Gas Undertakings Act 1929 the Company are authorised to borrow on mortgage or by the creation and issue of debenture stock any amount not exceeding one-half of the aggregate amount of the paid-up capital for the time being of their undertaking and of any premiums paid in respect thereof :

And whereas the Company have raised capital to the extent of seven million eight hundred and forty-five thousand seven hundred and seven pounds by the creation and issue of ordinary and preference stock and have

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A.D. 1932. outstanding debenture stock to the amount of two million eight hundred and ninety-five thousand four hundred and forty-five pounds :

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And whereas further capital expenditure is necessary for the general purposes of the undertaking of the Company and it is expedient that the Company should be authorised to raise additional capital :

And whereas it is expedient to vary the provisions of section 23 of the South Metropolitan Gas Act 1920 which regulate the charges which may be made by the Company in respect of fittings supplied and services rendered by them to persons taking supplies of gas through prepayment meters :

And whereas by the South Metropolitan Gas Act 1925 provision was made authorising agreements to be approved by the Board of Trade between the Company and certain companies therein named for the provision or enjoyment of or the participation in the benefits of certain facilities organisations and advantages provided by the Company and it is expedient that further provision should be made authorising agreements between the Company and other bodies in matters of mutual interest and other incidental matters :

And whereas it is expedient that other powers should be conferred upon the Company and that such other provisions should be made as are in this Act contained :

And whereas the objects aforesaid 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 King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows (that is to say) :—

Short title. **1.** This Act may be cited as the South Metropolitan Gas Act 1932.

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

The distribution of the capital of the Company into shares ;

- The transfer or transmission of shares; A.D. 1932.
The remedies of creditors of the Company against
the shareholders;
The borrowing of money by the Company on
mortgage or bond;
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;

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 any capital by this Act authorised to be raised.

3. In this Act unless there be something in the subject or context repugnant to such construction the several words and expressions to which meanings are assigned by the Acts partially incorporated herewith have the same respective meanings And— Interpre-
tation.

- “ the Company ” means the South Metropolitan Gas Company;
“ the Act of 1916 ” means the South Metropolitan Gas Act 1916;
“ the Act of 1918 ” means the South Metropolitan Gas Act 1918;
“ the Act of 1920 ” means the South Metropolitan Gas Act 1920;
“ the Act of 1921 ” means the South Metropolitan Gas Act 1921;
“ the Act of 1925 ” means the South Metropolitan Gas Act 1925;
“ the Act of 1928 ” means the South Metropolitan Gas Act 1928;
“ the directors ” means the directors of the Company;
“ the limits of supply ” means the limits of the Company from time to time for the supply of gas.

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Additional
capital.

4. The Company may from time to time issue additional nominal capital to such amount as shall be sufficient to produce after taking into account the premiums or discounts (if any) which may be obtained or allowed on the issue or reissue thereof any sum not exceeding in the whole one million pounds by the creation and issue of further ordinary or preference stock or partly by the one and partly by the other of those modes.

Stock in
further
capital to
be part of
general
capital.

5. All ordinary or preference stock created by the Company under the powers of this Act shall be part of the general capital of the Company and such stock and all ordinary or preference stock of the Company as the case may be defined by the Act of 1916 the Act of 1918 the Act of 1921 or the Act of 1928 shall rank *pari passu* and save as is otherwise provided by this Act the holders of ordinary or preference stock so created shall respectively be entitled to the like rights of voting and any other rights qualifications and privileges in proportion to the amount of their stock and be subject to the like provisions and liabilities as the holders of other stock of the Company of the same class and description.

Dividend
on prefer-
ence capital.

6. Notwithstanding anything contained in the Companies Clauses Act 1863 or any other Act any capital which may be issued under the powers of this Act as preference capital may bear such a rate of interest as the directors may determine at the date or respective dates of the issue thereof.

Restriction
as to votes
for prefer-
ence stock.

7. 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.

As to mode
of issue of
stock.

8.—(1) All ordinary or preference stock issued by the Company after the passing of this Act under any powers of the Company in that behalf shall except so far as is otherwise provided by this Act be issued in accordance with the provisions of this section.

(2) All ordinary or preference 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 to all the gas consumers

and persons in the employ of the Company at as near as
may be the average market price of such stock in the
period of two weeks immediately preceding such offer
Provided that in no case shall the price at which such
stock shall be offered be lower than five per centum
below such market price To ascertain the average
market price of any such 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.

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(3) Any ordinary or preference stock which has not
been so offered as aforesaid or which has been so offered
and not been taken up shall before being offered to the
holders of any ordinary or preference stock of the
Company be offered for sale by public auction or tender
in such manner at such times and subject to such
conditions of sale as the directors shall from time to
time determine Provided as follows :—

- (a) Notice of the intention to offer or sell any
stock in accordance with subsection (2) or
subsection (3) of this section shall be given
in writing to the London County Council and
to every local authority having jurisdiction
within the limits of supply and to the secretary
of the London Stock Exchange at least fourteen
days before the date of any offer under the
said subsection (2) or the day of auction or
the last day for the reception of tenders under
this subsection as the case may be and shall
also be duly advertised once in two or more
daily newspapers published in London and
circulating within the limits of supply ;
- (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 the last day for the receipt of
tenders as the case may be ;
- (c) No lot offered for sale by auction in accordance
with this subsection shall comprise stock of
greater nominal value than one hundred pounds ;

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- (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 except that the offer by tender of any holder of stock of the Company may be accepted in preference to the offer of the same sum by any person not such a holder as aforesaid and preference may in a like manner be given to the offer of any employee of the Company or consumer of gas supplied by the Company;
- (e) In the case of a sale by auction a bid shall not be recognised unless it is in advance of the last preceding bid;
- (f) 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.

(4) Any stock which has been offered for sale in accordance with subsections (2) and (3) or subsection (3) of this section and is not sold may be offered at the reserve price to the holders of ordinary or preference stock of the Company in accordance with the provisions of sections 18 19 and 20 of the Companies Clauses Act 1863 and to the employees of the Company and to the consumers of gas supplied by the Company in such proportions as the directors may think fit or to one or more of these classes of persons only Provided that in the case of an offer to holders of stock if the aggregate amount of stock applied for shall exceed the aggregate amount so offered as aforesaid 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.

(5) Any stock which has been offered for sale in accordance with subsections (3) or (4) of this section and is not sold may be disposed of for the purpose of realising the best price obtainable at such price and in such manner as the directors may determine.

(6) 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

each class of stock sold the total amount (if any) obtained as premium or allowed as discount in each case and the highest and lowest prices obtained for each class of stock. A.D. 1932.
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(7) The provisions of this section shall not apply to any stock—

(a) issued for the purposes of any co-partnership scheme of the Company; or

(b) issued for the purpose of complying with any provisions contained in any agreement made under the Act of 1925 or this Act and approved by the Board of Trade as required by the provisions of the Act of 1925 or this Act as the case may be; or

(c) issued to the holder of any redeemable preference stock by way of redemption of or in substitution for such redeemable stock;

and the directors may without any other authority than is given by this section issue any stock created by the Company which may be required for any of the said purposes :

Provided that any stock issued for the purpose of any such co-partnership scheme shall be issued at as near as may be the average market price of such stock in the period of two weeks immediately preceding the issue thereof and that in no case shall the price at which such stock shall be issued be lower than five per centum below such market price and that to ascertain such average market price the mean daily prices recorded in the London Stock Exchange daily official list shall be taken for the said period of two weeks.

9.—(1) The directors 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 by the issue of redeemable preference stock or redeemable debenture stock any portion of any capital which the Company are authorised under any powers of the Company in that behalf and shall have resolved to raise as preference stock or debenture stock (as the case may be). Redeem-
able stock.

(2) The Company may from time to time create and the directors may issue new ordinary stock and new redeemable or irredeemable preference or debenture stock or all or any of such stocks to such amount or

A.D. 1932. — amounts as may be necessary to provide money for the redemption or purchase of any redeemable preference or debenture stock which has been or may be created by the Company under any powers in that behalf or the directors may reissue any preference stock or debenture stock which has been redeemed or purchased under the provisions of this section as redeemable or irredeemable stock in substitution for or issue any such new ordinary preference or debenture stock in substitution for any redeemable preference or debenture stock which has been or may be created by the Company as aforesaid. The provisions of this or any previous Act relating to the mode of issue of stock of the Company shall not apply to the issue to the holder of any redeemable preference stock or redeemable debenture stock of new ordinary preference or debenture stock by way of redemption of or in substitution for such redeemable stock and such new ordinary preference or debenture stock may be issued direct to such holder :

Provided that the powers of this subsection shall be exercisable subject to the condition that the creation and issue thereunder of any particular class of stock does not make the total nominal amount of such stock exceed the amount of that class of stock which the Company are for the time being authorised to create except during the necessary interval between the creation and issue of the new stock and the redemption or purchase of the old stock.

(3) Any preference or debenture stock which is issued or reissued as redeemable stock shall be redeemable by the Company at such times and in such manner and on such terms and conditions as the directors may before the issue thereof determine. The terms and conditions of redemption of any such stock shall be stated in any offer of any such stock for sale and on the certificates of such stock.

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

10. For the purpose of determining the amount which may from time to time be raised by the Company by the creation and issue of ordinary or preference or debenture stock any stock hereafter redeemed by the Company in pursuance of any powers of the Company in relation to the redemption of preference stock or debenture stock shall after the redemption thereof (so long as the same is not reissued) be deemed not to have been created and issued but nothing contained in this section or done in pursuance thereof shall affect the validity of any debenture stock which the Company were authorised to issue in the circumstances existing at the date of such issue.

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As to re-
deemed
capital.

11.—(1) All preference stock of the Company shall be issued and be held in amounts of one pound or of any multiple of one pound and not otherwise and the Company shall not be under any obligation to register a transfer of such stock which would reduce the holding of the transferor below or make the holding of the transferee less than one pound of such stock.

Minimum
holdings of
preference
stock.

(2) Notice of this enactment shall be stated on all certificates of such stock issued after the passing of this Act.

12.—(1) The Company and any company body or person authorised to supply gas under statutory powers may with the approval of the Board of Trade enter into and carry into effect agreements for the amalgamation purchase leasing or joint working or management of their respective undertakings including agreements for or in connection with the joint use of buildings works or plant and the provision or adaptation of buildings works or plant for such joint use and for the setting up and joint use or carrying on of establishments for research and generally for any purpose which will in the opinion of the parties to any such agreement conduce to the more economical or efficient exercise of any statutory powers of either of the parties to the agreement relating to the manufacture distribution or sale of gas or manufacture working up conversion sale or use of residual products.

Agreements
between
Company
and other
undertakers.

(2) In any case in which the Company apply to the Board of Trade for their approval of any agreement entered into or proposed to be entered into under the

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- (a) give notice of such application to the council of every county or county borough wholly or partly within any area in which the parties to such agreement supply or are authorised to supply gas; and
- (b) if the Board of Trade so direct give notice of such application in such manner as the said Board may require including (if so required) notice to the council of every municipal borough (not being a county borough) and urban district wholly or partly within any such area as aforesaid and to the council of any county or other municipal borough and urban district (other than such as are referred to in the foregoing provisions of this subsection) which in the opinion of the said Board is affected by such agreement;

and the said Board shall before giving such approval consider any representations which may be made to them by any such authority as is referred to in paragraph (a) of this subsection or which may in accordance with any directions in that behalf contained in any such notice as is referred to in paragraph (b) of this subsection be made to them by any such council as is referred to in that paragraph.

(3) The Board of Trade may if they think fit approve any such agreement subject to any modification of the terms thereof to which the parties thereto assent.

(4) Any agreement made and approved by the Board of Trade under the provisions of this section shall be deemed to be an agreement referred to in section 6 (Loans to other companies and exchange of securities) of the Act of 1925 and the said section and section 17 (Subscription for shares or loans to other companies) of the Act of 1928 shall be read and construed accordingly.

Breaking up
streets
beyond
limits of
supply.

13.—(1) In any case in which an agreement has been entered into by the Company and approved by the Board of Trade under the provisions of the Act of 1925 or of this Act and the agreement provides for a supply of gas being afforded by the Company to any company body or person authorised to supply gas under

parliamentary powers the Board of Trade may for the purpose of enabling such supply to be given or facilitating such supply by order authorise the Company subject to the provisions of the Gasworks Clauses Act 1847 so far as applicable with respect to the breaking up of streets for the purpose of laying pipes and such conditions (if any) as the Board of Trade may think fit to place lay down construct maintain repair renew and replace mains pipes and apparatus in under across or along any street outside the limits of supply and to open and break up such street for that purpose :

Provided always that the Company when making an application to the Board of Trade for an order under the provisions of this section shall furnish particulars of such application to the council of any county or borough or urban or rural district in which any street to which the application relates is situate and the Board before making any such order shall give to such council an opportunity of making representations to the Board on the application :

Provided also that where such application relates to any street across under or adjacent to which a sewer of the West Kent Main Sewerage Board (in this section referred to as "the sewerage board") is laid the particulars of such application and the opportunity of making such representations as aforesaid on the application shall also be given to the sewerage board.

(2) The Company shall not exercise their powers under this section or under any order made thereunder with respect to any street belonging to or maintainable by a railway company except with the consent of such railway company which consent shall not be unreasonably withheld nor shall the Company in carrying out any works authorised by this section or any order made thereunder unreasonably obstruct or interfere with the convenient access to any such street Any difference arising between any railway company and the Company under this subsection shall be determined by an arbitrator to be agreed upon by such railway company and the Company or failing agreement to be appointed on the application of either party after notice in writing to the other of them by the President of the Institution of Civil Engineers and subject as aforesaid the provisions of the Arbitration Act 1889 shall apply to any arbitration under this subsection.

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Prepayment
meter
charges.

14.—(1) The Company shall not charge for the hire of any prepayment meter and fittings to be used therewith any sum other than a sum of money which shall be calculated according to the number of therms supplied through such prepayment meter and shall not exceed threepence per therm.

(2) The said charge shall include the providing letting fixing repairing and maintenance of the prepayment meter and fittings and the cost of collection inspection and any other cost incurred by the Company in connection with the prepayment meter and fittings.

(3) For the purposes of this section the expression “prepayment meter” means any meter or appliance by which the quantity of gas supplied is regulated according to the amount of money prepaid therefor and the expression “fittings” means pipes burners stoves and other fittings supplied by the Company and used in connection with the consumption of gas supplied by means of a prepayment meter.

(4) The Metropolis Gas (Prepayment Meter) Act 1900 shall in its application to the Company be read as if—

- (a) section 4 thereof were repealed;
- (b) the reference in section 5 thereof to the last preceding section of that Act were a reference to this section; and
- (c) in section 6 thereof all words after “receipt for the same” were omitted therefrom.

Power to
Company to
vary direc-
tors' re-
muneration.

15. Notwithstanding anything contained in section 21 (Remuneration of directors of Company) of the South Metropolitan Gas Act 1902 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 21) the total amount of remuneration of the directors. The amount fixed by 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.

Share-
holders'
address
book.

16. Notwithstanding anything contained in section 8 (Addresses of shareholders) of the South Metropolitan Gas Light and Coke Company's Act 1842 (5 Vict. Session 2 cap. lxxix) which relates to the keeping of a shareholders'

address book or any other Act the Company may if they think fit substitute for the shareholders' address book provided under that section a card or other index containing such particulars as are required by that section to be entered in the shareholders' address book.

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17. The directors may close any register of transfers for a period not exceeding a month immediately previous to the payment of any interim dividend or to the date on which any dividend or any interest on the stock to which the register relates shall be payable and they may fix a day for closing the same of which seven days' notice shall be given by advertisement in some newspaper circulating within the limits of supply and any transfer received by the Company for registration during the time when the register is so closed shall as between the Company and the persons claiming under the same but not otherwise be considered as made subsequently to the expiration of the period for which the register was closed.

Closing of transfer books.

18.—(1) Any moneys raised under this Act including premiums shall be applied only to purposes to which capital is properly applicable and any sum of money which may arise by way of premium from the issue of stock under the provisions of this Act shall not be considered as part of the capital of the Company entitled to dividend.

Application of money.

(2) Subject to the foregoing provisions of this section the Company may apply to the purposes of any Act of the Company any money which they are authorised to raise by this Act and may apply to the purposes of this Act any moneys which they are authorised to raise under any other Act.

19. The provisions of section 24 (For protection of Metropolitan Water Board) of the Act of 1928 shall extend and apply to the placing laying down constructing maintaining repairing renewing and replacing of any mains pipes and apparatus in under across or along any street outside the limits of supply under the powers of the section of this Act of which the marginal note is "Breaking up streets beyond limits of supply."

For protection of Metropolitan Water Board.

20. Save as otherwise by this Act expressly provided all forfeitures costs and expenses incurred or recoverable under this Act may be prosecuted and recovered in a summary manner Provided that costs or expenses

Recovery of penalties &c.

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Repeals. **21.** The following provisions of the following Acts and schemes confirmed by Order in Council are hereby repealed (that is to say) :—

The scheme amalgamating the Company with the Surrey Consumers Gas Company confirmed by Order in Council of 28th October 1879—

Section 17 (Remuneration to the directors).

The scheme amalgamating the Company with the Woolwich Plumstead and Charlton Consumers Gas Company and the Woolwich Equitable Gas Company confirmed by Order in Council of 9th September 1884—

Section 14 (Retiring allowances to directors) so far as relates to the remuneration of the directors.

The Act of 1916—

Subsections (1) and (3) of section 7 (Power to raise money temporarily on mortgage or by debenture stock);

Section 10 (As to mode of issue of stock or debenture stock);

Section 11 (Company may issue redeemable preference stock or redeemable debenture stock);

Section 13 (Consent of Treasury to raising of money).

The Act of 1918—

Section 9 (As to reissue of debentures and debenture stock issued under Act of 1916 and this Act);

Section 10 (Amending section 11 of Act of 1916).

The Act of 1920—

Section 23 (Prepayment meter charges);

Section 26 (Closing of transfer books previous to declaring interim dividend).

The Act of 1921—

Section 6 (Power to reissue certain redeemable debenture stock);

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- Section 8 (As to mode of issue of stock or debenture stock); A.D. 1932.
Section 9 (Redeemable preference and debenture stock);
Section 12 (Separate denominations for different classes of ordinary stock);
Section 13 (Amendment of section 10 of Act of 1918).

The Act of 1928—

- Subsection (3) of section 8 (Redeemable preference and debenture stock);
Section 11 (Amendment of section 10 of Act of 1916);
Section 12 (As to mode of issue of stock or debenture stock).

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

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