

[41 & 42 VICT.] *Great Western and South Devon* [Ch. ccvii.]  
*Railway Companies Amalgamation Act, 1878.*



### CHAPTER ccvii.

An Act to amalgamate the Undertakings of the Great Western and South Devon Railway Companies ; and for other purposes. A.D. 1878.  
[22d July 1878.]

**W**HEREAS the railways of the Great Western Railway Company and of the South Devon Railway Company afford a continuous line of communication between London and other towns and places in England and the counties of Devon and Cornwall :

And whereas the South Devon Railway was promoted in connexion with the Great Western Railway and with the Bristol and Exeter Railway (which is now amalgamated with the Great Western Railway), and the South Devon Railway is now being worked and used by the Great Western Railway Company under an agreement for a term of nine hundred and ninety-nine years from the first day of February one thousand eight hundred and seventy-six ; and whereas the Great Western Railway Company are the proprietors of a considerable amount of capital in the South Devon Railway Company, and the Great Western Railway Company and the South Devon Railway Company are joint owners of the West Cornwall Railway and of the Plymouth Great Western Docks, and joint lessees of the Cornwall Railway :

And whereas it would conduce to the public advantage and to the convenient and economical working of the Undertakings of the said two Companies that they should be permanently united under one management, and that the two Companies should be amalgamated :

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 Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and

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A.D. 1878. Temporal, and Commons, in this present Parliament assembled, and  
— by the authority of the same, as follows:

Short title. 1. This Act may be cited as the Great Western and South Devon  
Railway Companies Amalgamation Act, 1878.

Incorporation of general Acts. 26 & 27 Vict. c. 92.  
26 & 27 Vict. c. 118. 2. Part V. (relating to amalgamation) of the Railways Clauses  
Act, 1863, and Part I. (relating to cancellation and surrender of  
shares) and Part III. (relating to debenture stock) of the  
Companies Clauses Act, 1863, are, except where varied by or incon-  
sistent with this Act, incorporated with and form part of this Act.

Interpretation of terms. 3. 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 some-  
thing in the subject or context repugnant to such construction:

“The Great Western Company” means the Great Western  
Railway Company as it existed immediately before the time of  
amalgamation:

“The South Devon Company” means the South Devon Railway  
Company as it existed immediately before the time of  
amalgamation:

“The two Companies” means the Great Western Company and  
the South Devon Company:

“The South Devon Undertaking” means the several railways,  
branches, and extensions, canals, docks, ferries, wharves,  
stations, sidings, approaches, buildings, fixed plant, and other  
works and conveniences, complete or incomplete, and all the  
lands and easements, and all other the property, estate,  
chattels, and effects, whether real or personal, which at the  
time of amalgamation belong to or are vested in or possessed by  
the South Devon Company, or which they have power to  
acquire or which are held in trust for them; and also (except in  
so far as the same are modified or restricted by any provisions  
in this Act contained) the rights, interests, privileges, powers,  
property, and estates which the South Devon Company possess  
either by themselves solely or in connexion with any other  
company, and whether, by way of trust or otherwise, in or  
relating to any railways, canals, docks, ferries, wharves,  
stations, buildings, fixed plant, lands, property, works, and  
conveniences, whether jointly or in common with any other  
company or companies, corporation or persons, or otherwise;  
and also all rights, easements, powers, and privileges which  
the South Devon Company enjoy or are entitled to exercise  
over or with respect to the Undertakings of other companies, or



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over or with respect to the lands or property of any corporation or persons : A.D. 1878.

“ South Devon capital ” means the authorised capital in shares, stocks, and annuities of the South Devon Company :

“ South Devon proprietors ” means holders of South Devon capital.

In this Act and for the purposes of this Act in the Railways Clauses Act, 1863, and in the Companies Clauses Act, 1863, 26 & 27 Vict. c. 92.

“ The Company ” means the two Companies as amalgamated by this Act. 26 & 27 Vict. c. 118.

In this Act and for the purposes of this Act in the Railways Clauses Act, 1863, 26 & 27 Vict. c. 92.

“ The dissolved company ” means the South Devon Company :

“ The amalgamated company ” means the Company.

4. The South Devon Company as from the first day of August one thousand eight hundred and seventy-eight is hereby dissolved, except for the purpose of winding up their affairs, and the South Devon Undertaking is hereby as from that date amalgamated with the Undertaking of the Great Western Company, and thenceforward the South Devon Undertaking and the Undertaking of the Great Western Company so amalgamated shall constitute one Undertaking, and shall be the Undertaking of the Company. Under-takings of the two Companies amalgamated.

5. The Company shall pay and distribute to the several persons entitled thereto at the time of amalgamation the sums due or accruing from the Great Western Company to the South Devon Company under the said agreement, or under any other agreement or agreements between the Great Western Company and the South Devon Company up to the time of amalgamation. Sums due under agreement to be paid by Company to South Devon Company.

6. Notwithstanding the amalgamation, except only as is by this Act otherwise expressly provided, none of the provisions of any Acts relating to the South Devon Company which if the said amalgamation had not been effected would apply exclusively to the South Devon Undertaking or any part thereof, or to the South Devon Company in respect of the same, shall apply to any portion of the Undertaking of the Company other than the South Devon Undertaking or to the Company in respect of the same, and none of the provisions of any Acts relating to the Great Western Company which if the amalgamation had not been made would apply exclusively to the Undertaking of the Great Western Company or any part thereof, or to the Great Western Company in respect of the same, shall apply to the South Devon Undertaking or any part thereof, or to the Company in respect of the same. Provisions of Acts relating to South Devon Company not to apply to undertaking of Company, and vice versa.

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Company  
may borrow  
in lieu of  
South Devon  
Company and  
associated  
companies.

7. On and after the time of amalgamation the mortgage and bond debt of the South Devon Company, and the mortgage and bond debt of the Great Western Railway Company and the South Devon Railway Company jointly (which companies are known as the associated companies), shall become part of the mortgage or bond debt of the Company, and the powers of the Company for borrowing and re-borrowing on mortgage and as to the issue of debenture stock may from time to time be exercised by the Company so as to include the issue of debenture stock and the borrowing and re-borrowing as part of their general debenture debt to the extent which the South Devon Company and the associated companies were immediately before the time of amalgamation authorised to borrow, and the Company may from time to time redeem the same or any part thereof by the creation and issue of debenture stock of the Company.

As to mort-  
gages and  
debts of the  
South Devon  
Company.

8. On and after the time of amalgamation the debts and liabilities, as well of the Great Western Company as of the South Devon Company, secured on mortgage or bond, which at the time of amalgamation shall be subsisting, shall become and be a charge upon the Undertaking of the Company, but subject and without prejudice to the right of the several holders of such mortgages or bonds to a priority of charge upon the particular undertaking upon which at the time of amalgamation they shall be severally a charge (which charge shall, notwithstanding the amalgamation, continue to be in operation and in force so long as such mortgages or bonds shall be subsisting), and to all the rights, privileges, and remedies belonging or incidental to such mortgages or bonds; provided that all mortgages or bonds issued after the time of amalgamation under any Act passed before or during the present session of Parliament relating to the two Companies, or either of them, and whether by renewal or otherwise, shall be issued by and in the name of the Company, and shall be a charge upon the Undertaking of the Company, without any priority inter se on account of date of creation or otherwise.

As to the  
capital of the  
Company.

9. On and after the time of amalgamation the capital which immediately before the time of amalgamation was the capital of the Great Western Company, inclusive of debenture stock, shall become the capital of the Company, and the capital of the Company shall be increased by addition thereto in the manner and to the extent necessary to give effect to the provisions of this Act: Provided always, that any additions to the Great Western debenture stock, the Great Western five pounds per centum rentcharge stock, the Great Western consolidated guaranteed stock, the Great Western



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five pounds per centum consolidated preference stock, and the Great Western consolidated ordinary stock respectively made under the authority or for the purposes of this Act shall be deemed to be part of and shall rank *pari passu* with the other like stock of the Company.

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10. On and after the time of amalgamation every holder of South Devon debenture stock shall, in lieu of and in exchange for the said stock, become and be the holder of the like amount of debenture stock in the Company and bearing the same rate of interest as the stock for which it shall have been exchanged, or such other amount of debenture stock as will produce the same amount of interest as the stock in respect of which the same shall be exchanged, any difference in the periods to which the interest on such stock is calculated being adjusted to such exchange.

South Devon debenture stockholders to become debenture stockholders of the Company.

11. On and after the time of amalgamation every holder of South Devon rentcharge stock, or of any annuities for the purpose of converting or consolidating which the South Devon Company are authorised to create South Devon rentcharge stock, shall, in lieu of and in exchange for such stock or annuities, become and be the holder of such an amount of Great Western rentcharge stock bearing interest at the rate of five pounds per centum per annum as will produce the same amount of dividend or income as the stock or annuities in respect of which the same shall be exchanged.

South Devon rentcharge stock, &c. to be converted into Great Western consolidated rentcharge stock.

12. On and after the time of amalgamation every holder of South Devon new four and a half per centum shares created and issued under the authority of the South Devon Railway Act, 1851, and every holder of South Devon four and a half per centum additional shares created and issued under the authority of the South Devon Railway Act, 1857 (all of which shares are herein-after called South Devon guaranteed shares), shall, in lieu of and in exchange for such shares, become and be the holder of such an amount of Great Western five per centum consolidated guaranteed stock as will produce the same amount of dividend or income as the shares in respect of which the same shall be exchanged.

South Devon guaranteed shares to be converted into Great Western guaranteed stock.  
 14 & 15 Vict. c. liii.  
 20 & 21 Vict. c. viii.

13. On and after the time of amalgamation every holder of South Devon five per centum preference shares or stock, or of any preference shares or stock for the purpose of converting or consolidating which the South Devon Company are authorised to create South Devon five per centum preference stock, and for the conversion of which provision is not otherwise made, shall, in lieu of and in exchange for such shares or stock, become and be the holder of such an amount of Great Western consolidated preference stock bearing interest at the rate of five pounds per centum per annum

South Devon preference stock and shares to be converted into Great Western consolidated preference stock.

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South Devon ordinary stock to be converted into Great Western consolidated ordinary stock.

14. On and after the time of amalgamation every holder of consolidated ordinary stock in the South Devon Company shall, in lieu of and in exchange for the stock held by him, become and be the holder of Great Western consolidated ordinary stock to the extent of sixty-five pounds of Great Western consolidated ordinary stock for every one hundred pounds of South Devon consolidated ordinary stock, and a proportionate amount of Great Western consolidated ordinary stock for any less amount than one hundred pounds of South Devon consolidated ordinary stock; and every such holder of South Devon consolidated ordinary stock shall also be entitled to a certificate (herein-after called a deferred certificate) declaring that the holder thereof may at any time after the thirty-first day of January one thousand eight hundred and eighty-three require the Company to register him as the holder of such a further amount of Great Western consolidated ordinary stock, after the rate of five pounds of such stock for every one hundred pounds of South Devon consolidated ordinary stock, bearing dividend as on and from the first day of February one thousand eight hundred and eighty-three, as shall be stated in such deferred certificate, and the Company shall upon the surrender of such deferred certificate register such holder thereof accordingly: Provided always, that the Company may accept an earlier surrender of any deferred certificate and register the holder thereof as the holder of Great Western consolidated ordinary stock bearing dividend with the other like stock of the Company at such time, to such amount, and upon such terms and conditions as may be agreed upon between such holder and the Company.

As to fractional parts of a pound of stock.

15. Notwithstanding anything in this Act contained, no person or corporation shall become entitled under this Act to any fractional part of a pound of stock of any denomination (including debenture stock) in the capital of the Company; but in every case in which any such person or corporation would but for this enactment have become entitled to a fractional part of a pound of any such stock, the Company may at their option receive from such person or corporation such a further sum in cash as will make up an even pound, or pay to such person or corporation in cash the amount of such fractional part.

Certificates for South Devon capital to be exchanged.

16. Every South Devon proprietor on delivering to the Company the certificates for the stock or shares in the South Devon capital, or the securities for the annuities held by him, shall be entitled to



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and shall have those certificates or securities exchanged for certificates for the stock to which he is by this Act entitled.

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17. If the certificate for any South Devon capital or the security for any annuity be lost or destroyed, then upon proof thereof to the satisfaction of the directors of the Company they shall deliver to the person entitled to such certificate or security a certificate for stock to which he would be entitled under this Act if such first-mentioned certificate or security had not been lost or destroyed.

Provision  
as to lost  
certificate.

18. Any difference arising upon the amalgamation in consequence of the dates to which the interest or dividends on any stock of the Great Western Company or of the South Devon Company have heretofore been calculated shall be adjusted, and notwithstanding anything in any Act or Acts contained the dividends on all the stocks and shares of the Company other than debenture stocks shall after the amalgamation be calculated for payment to the thirty-first day of July and the thirty-first day of January in each year, or to such other date or dates as the Company shall from time to time fix and appoint.

Adjustment  
of dividends.

19. The several South Devon proprietors to whom any stock shall be appropriated under the powers of this Act shall hold such stock on the same trusts and obligations, and subject to the same powers, provisions, charges, and liabilities, as those upon or to which the respective amounts of stock or shares in the South Devon capital, or the annuities in respect of which such appropriated stock is substituted, were immediately before the passing of this Act held or subject, and shall deal with, apply, and dispose of the same accordingly, and so as to give effect to and not revoke any will or other instrument disposing of or affecting any such stock or shares in the South Devon capital or annuities, and every testamentary disposition affecting such last-mentioned stock, shares, or annuities shall be held to apply to the stock so substituted therefor.

Substituted  
stock to be  
held on same  
trusts as the  
stock for  
which it is  
substituted.

20. Any Act of Parliament passed or which may be passed during the present session by which any powers are conferred upon the South Devon Company shall be read and construed as if the Company had been named therein instead of the South Devon Company.

Acts of present  
session relating  
to South Devon  
Company to be  
construed as  
relating to the  
Company.

21. On and after the time of amalgamation the number of the directors which may be appointed by the Company shall be nineteen; but it shall be lawful for the Company from time to time to vary the number, provided that the number be not more than twenty-one nor less than sixteen; and all provisions contained in any Act or Acts with respect to the directors of the Great

Prescribing  
number of  
directors of  
Company.

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Deficit payable by Cornwall Company to belong to the Company.

22. Any deficit due or payable by the Cornwall Railway Company in respect of their obligations to the South Devon Company, together with interest thereon, shall belong to the Company.

Company to assume South Devon Company's guarantees of the Cornwall Company. 9 & 10 Vict. c. cccxxxv. 18 & 19 Vict. c. lix. 20 Vict. c. i. 24 & 25 Vict. c. ccxv.

23. The Company shall take upon themselves all the liabilities, obligations, and guarantees respectively of the South Devon Company lawfully subsisting at the time of amalgamation to or in respect of the Cornwall Railway Company created by the Cornwall Railway Act, 1846, the Cornwall Railway Act, 1855, the Cornwall Railway Act, 1857, the Cornwall Railway Act, 1861, the indenture of lease dated the ninth day of August one thousand eight hundred and sixty-one, made between the Cornwall Railway Company of the one part, the Great Western Railway Company, the Bristol and Exeter Railway Company, and the South Devon Railway Company of the other part, and the several indentures of guarantee made in pursuance of the said Acts, or any of them, or otherwise, between the Great Western Railway Company, the Bristol and Exeter Railway Company, and the South Devon Railway Company of the first part, and the Cornwall Railway Company of the second part, or any of the said Acts of Parliament or indentures respectively; but subject and without prejudice to the right of the Cornwall Railway Company, and the several holders of stocks or shares or obligations thereof, to all priorities of charge, if any, which at the time of amalgamation they are respectively entitled to upon the South Devon Undertaking, and the Company shall be entitled to all the rights, powers, privileges, and advantages conferred on the South Devon Company by such Acts, indenture of lease, and indentures of guarantee, or any or either of them.

For protection of Buckfastleigh, Totnes, and South Devon Railway Company. 27 & 28 Vict. c. cclviii. 28 & 29 Vict. c. xli.

24. The Company shall take upon themselves all the liabilities and obligations respectively created by certain heads of agreement between the Buckfastleigh, Totnes, and South Devon Railway Company, and the South Devon Company scheduled to the Buckfastleigh, Totnes, and South Devon Railway Act, 1864, and by the Buckfastleigh, Totnes, and South Devon Railway Act, 1865, made applicable to the undertaking, railways, and works by that Act authorised, and to the moneys by that Act authorised to be borrowed, and by a formal agreement dated the fourteenth day of July one thousand eight hundred and sixty-five, and made between the said Companies for giving effect to those heads in the same manner as if the name of the Company had been inserted therein respectively instead of the name of the South Devon Company, and the Company shall be entitled to all the rights, powers,



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privileges, and advantages conferred on the South Devon Company by the said heads of agreement respectively: Provided always, that the South Devon working expenses referred to in that agreement shall from and after the amalgamation by this Act authorised be from time to time taken as the same amount as the working expenses of the Company as shown by their half-yearly statement of accounts for the then preceding half year.

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25. The agreement between the Great Western Company of the one part, and the Buckfastleigh, Totnes, and South Devon Railway Company of the other part, which is set forth in the Schedule A. to this Act, is hereby confirmed and made binding on the parties thereto, and full effect may and shall be given thereto: Provided always, that, unless otherwise agreed, the holders of the Buckfastleigh, Totnes, and South Devon Railway A debenture stock, the certificates of which are described in the Schedule B. to this Act, their executors, administrators, or assigns, shall in respect of such stock be entitled to the same guarantee for the payment of interest thereon, and to the same rights and privileges in respect thereof, as they would have been entitled to if the said agreement had not been entered into.

Agreement between Great Western and Buckfastleigh Railway Companies confirmed.

26. Except as is by this Act specially provided, nothing herein contained shall take away, alter, prejudice, or injuriously affect any of the rights, priorities, and privileges of the holders of any shares or stocks of the associated companies, or either of them, in regard to the interest or dividend on which special provision is made in any Act or Acts relating to the Cornwall or the West Cornwall Railways; but the Company may from time to time agree with the respective holders of such stocks, or any or either of them, for the exchange of such stocks so far as respectively held by them for such an amount of Great Western Railway five pounds per centum consolidated preference stock as may from time to time be agreed on, and the Company may from time to time create and issue such an amount of such consolidated preference stock as may be necessary for the purpose.

Saving rights of holders of certain shares or stocks.

27. Except so far as already issued and as may be requisite to give effect to the provisions of the last preceding enactment, the power to issue any further Great Western, Bristol and Exeter, and South Devon Railway Companies joint rentcharge stock created under the powers contained in the Great Western, Bristol and Exeter, and South Devon Railway Companies (Cornwall and West Cornwall Railways) Acts, 1871 and 1873, shall not be exercised, but in lieu

Restrictions on further issue of Great Western, Bristol and Exeter, and South Devon Railway Companies

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—  
joint rent-  
charge stock,  
34 & 35 Vict.  
c. clxxvii.  
36 & 37 Vict.  
c. cxiii.

Provision as  
to traffic  
between cer-  
tain railways  
of the Com-  
pany and  
the London  
and South-  
western  
Railway  
Company.

of such rentcharge stock the Company may create and issue such an amount of Great Western Railway five pounds per centum consolidated preference stock as may be necessary for the purposes to which the said rentcharge stock might have been applied.

28. And whereas the London and South-western Railway Company (herein-after called the South-western Company) and the Devon and Cornwall Railway Company (in this Act called the Devon and Cornwall Company) have respectively rights of running over and using and of exercising other powers in respect of portions of the Undertaking of the South Devon Company, and the South-western Company have also rights of running over and using the railway between Saint David's Station at Exeter and Cowley Bridge Junction, both inclusive, and it is expedient that all such powers should be and remain exerciseable by those respective companies as if this Act had not passed; and whereas the railways of the South Devon Company and also the railways of the Great Western Company intercommunicate with the railways of the South-western Company at Lidford, Exeter, and other places, and it is desirable that provision should be made for securing an interchange of traffic between the respective railways of the first-named companies and those of the South-western Company, and it is expedient that the Company and the South-western Company should be empowered to enter into and carry into effect agreements with reference to the matters herein-after referred to:

Therefore the Company on the one hand, and the South-western Company on the other hand, may from time to time enter into and carry into effect contracts or arrangements with respect to the following purposes, or any of them; that is to say,

The division and apportionment between them of the receipts arising from traffic passing through or which might pass through Exeter or Lidford, or either of them, to or from and passing over the railways, or some portion of the railways, of one or other of the respective companies, or to or from any station at Exeter:

The facilities to be afforded for traffic coming from or destined for the undertakings of the contracting companies:

The interchange, transmission, accommodation, conveyance, collection, delivery, and general conduct of such traffic:

The fixing and ascertaining division and apportionment between them of the receipts arising from such traffic and from any other traffic, and all other matters incident or relating to the above, or any of them.



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**29.** Subject to the provisions of this Act, and except as by this Act otherwise provided, the powers and provisions of all Acts of Parliament, agreements, awards, and orders in relation to the South-western Company and the Devon and Cornwall Company, or either of them, with reference to the South Devon Undertaking, or any part of it, which are respectively in force or applicable immediately before the passing of this Act, shall remain in force and be applicable to the several subject matters in respect of which the same powers and provisions were immediately before the passing of this Act applicable as those subject matters respectively are or may be altered under the amalgamation effected by this Act.

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Saving Acts,  
&c. relating  
to the London  
and South-  
western  
Railway  
Company.

**30.** The Company shall not, out of any money by any Act relating to the two Companies or the Company respectively authorised to be raised, pay interest or dividend to any shareholder on the amount of the calls made in respect of the shares held by him, but nothing in this Act shall prevent the Company from paying to any shareholder such interest on money advanced by him beyond the amount of the calls actually made as is in conformity with the Companies Clauses Consolidation Act, 1845.

Interest not  
to be paid  
on calls  
paid up.

**31.** The Company shall not, out of any money by any Act relating to the two Companies or the Company respectively authorised to be raised, pay or deposit any sum 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.

8 & 9 Vict.  
c. 16.  
Deposits for  
future Bills  
not to be  
paid out of  
capital.

**32.** 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 and 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 to be taken by the two Companies respectively.

Railways not  
exempt from  
provisions  
of present  
and future  
general Rail-  
way Acts.

**33.** 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.

Expenses  
of Act.

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SCHEDULES referred to in the foregoing Act.

SCHEDULE A.

AGREEMENT made and entered into this 27th day of June 1878, between the GREAT WESTERN RAILWAY COMPANY (herein-after called the Great Western Company) of the one part, and the BUCKFASTLEIGH, TOTNES, AND SOUTH DEVON RAILWAY COMPANY (herein-after called the Buckfastleigh Company) of the other part.

WHEREAS a Bill is now pending in Parliament, promoted by the Great Western Railway Company and the South Devon Railway Company, which Bill is intituled "A Bill to amalgamate the Undertakings of the Great Western and South Devon Railway Companies, and for other purposes" (and which is herein-after called "the Amalgamation Bill"), and the Buckfastleigh Company have presented a petition to the House of Commons against the said Bill: And whereas by an agreement made the 14th day of July 1865, between the Buckfastleigh Company of the one part, and the South Devon Railway Company (herein-after called the South Devon Company) of the other part, it was agreed that the South Devon Company should work the railways of the Buckfastleigh Company in the manner and upon the terms in the said agreement mentioned; and it was thereby further agreed (Article 27) that the South Devon Company would guarantee the payment of the interest, not exceeding the rate of 5*l.* per cent. per annum, on the Buckfastleigh Company's debenture debt from time to time not exceeding in the whole 32,000*l.*, and for the purpose of that guarantee would pay to the Buckfastleigh Company half-yearly, by way of commuted toll for the use by the South Devon Company of the said railways and premises of the Buckfastleigh Company, a sum equal to the amount of the interest for the respective half year, or (Article 32) pay the same to the persons entitled to the interest; and it was thereby further agreed (Article 37) that the South Devon Company would pay to the Buckfastleigh Company half-yearly such a sum as with the payment to be made by the South Devon Company under the 27th or 32nd articles of the agreement should be equal to one half of the South Devon Company's gross receipts from the railway for the respective half year, and might retain for their own benefit in respect of their expenses of managing, maintaining, repairing, stocking, manning, and working the railway and premises and the traffic thereon and thereat, and the performances of their other duties and services, and their expenditure in other respects under the agreement, the balance of the said gross receipts; and it was further provided (Article 38)



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that if the expenses incurred by the South Devon Company in any half year in working the South Devon Railway branches and extensions should amount to less than 50 per centum of the South Devon Company's gross receipts for such half year, the South Devon Company might retain, in respect of their expenses provided for by Article 37 for the respective half year, only such lesser per-centage of such gross receipts, and the balance thereof should be paid to the Buckfastleigh Company instead of the payment to be made to them under Article 37, and (Article 39) that if and whenever the amount payable by the South Devon Company for any half year, under the 27th or the 32nd article, exceeded the amount which under the 37th or 38th article, as the case might be, was payable to the Buckfastleigh Company, the amount of the excess for such half year should be made good to the South Devon Company out of the moneys thereafter payable to the Buckfastleigh Company under the 37th or 38th article. And whereas the Buckfastleigh Company being unable to meet their engagements, and being threatened to be sued in respect thereof, the directors of that company, in exercise of the power in that behalf given to them by the Railway Companies Act, 1867, presented in May 1877 to the Chancery Division of the High Court of Justice a scheme of arrangement between the Buckfastleigh Company and their creditors, with provisions for raising additional loan capital, and the said scheme, among other things, provided that "In addition to their existing share and loan capital the Company  
" (meaning thereby the Buckfastleigh Company) may and shall, as and when  
" required for the purposes of this scheme, issue new debenture stock to such  
" amount as they may from time to time think requisite, not exceeding in the  
" whole the sum of 50,000*l.*, and the provisions of Part III. of the Companies  
" Clauses Act, 1863, shall be applicable to such debenture stock as if the  
" same had been now repeated and incorporated in the scheme."

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" The stock to be so issued shall be called ' Buckfastleigh, Totnes, and  
" ' South Devon B Debenture Stock ' (herein-after referred to as B Debenture  
" Stock), and shall rank next after the present debenture debt of 32,000*l.*,  
" and shall entitle the holders thereof to the same interest, rights, and privi-  
" leges, and shall be held by them upon the same terms and conditions, and  
" in the same manner in all respects as if the said stock formed part of the  
" present debenture debt of 32,000*l.*, except in so far as the interest on the de-  
" benture debt shall be guaranteed by the South Devon Company under the said  
" working agreement, and which guarantee shall not extend to B Debenture  
" Stock," and the said scheme was subsequently confirmed by the Chancery  
Division of the said High Court. And whereas the Buckfastleigh Company  
have partly converted and are now converting into debenture stock, bearing  
interest at the rate of 4*l.* per cent. per annum, their debenture debt of 32,000*l.*,  
referred to in the recited agreement of 14th July 1865, and which debenture  
stock is called Buckfastleigh, Totnes, and South Devon A Debenture Stock  
(herein-after referred to as A Debenture Stock), and the Buckfastleigh Com-  
pany have created and are about to issue Buckfastleigh, Totnes, and South  
Devon B Debenture Stock (herein-after referred to as B Debenture Stock)  
to the amount of 40,000*l.*, being part of the sum of 50,000*l.* authorised to be  
issued under the aforesaid scheme in Chancery. And whereas if the said  
Amalgamation Bill passes into law the South Devon Company will be dissolved,  
and all their property, powers, and privileges will be vested in the Great

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1. The Buckfastleigh Company shall, as soon as possible after the execution of this agreement, withdraw the petition presented by them to Parliament against the Amalgamation Bill, and shall not, either directly or indirectly, oppose the said Bill in either House of Parliament.
2. The Great Western Company shall, as and from the 1st day of January 1878, if the Amalgamation Bill shall at any time during the present session of Parliament receive the royal assent, guarantee as a first charge out of the gross receipts in each year of the Buckfastleigh Railway interest for that year at the rate of 4l. per cent. per annum on the 16,080l. A Debenture Stock at present issued by the Buckfastleigh Company, and will also guarantee, out of the balance of the said gross receipts in each year, interest for that year at the rate of 4l. per cent. per annum on the sum of 55,920l., being a portion of the A Debenture Stock and of the B Debenture Stock authorised to be raised by the Buckfastleigh Company's Acts and by the said scheme; and the said 16,080l. stock shall, after the confirmation by Parliament of this agreement, be called Buckfastleigh, Totnes, and South Devon Railway A Debenture Stock Guaranteed (herein-after called A Debenture Stock Guaranteed), and the 55,920l. stock shall be called Buckfastleigh, Totnes, and South Devon Railway B Debenture Stock Guaranteed (herein-after called B Debenture Stock Guaranteed); and such guarantees shall be in lieu of the sum guaranteed by the recited agreement of the 14th July 1865 for the payment of interest on the debenture debt of the Buckfastleigh Company referred to in that agreement. For the purposes of the said guarantee a note or memorandum, to be agreed upon between the Great Western Company and the Buckfastleigh Company, shall, if required by the Buckfastleigh Company, be endorsed on the scrip for the said stocks, and the said guaranteed interest shall be applied by the Buckfastleigh Company in the payment of interest on such A and B Debenture Stock Guaranteed, or the Great Western Company at their option may pay the same to the persons entitled to the interest.
3. The Buckfastleigh Company shall not, without the consent in writing of the Great Western Company under the hand of their secretary for the time being, issue any part of the B Debenture Stock Guaranteed at less than par value, but the Great Western Company will, as far as they reasonably can do so, assist the Buckfastleigh Company to place such stock at not less than par value; and if the Buckfastleigh Company create, without the consent of the Great Western Company in writing under the hand of their secretary for the time being, any further amount of the B Debenture Stock than the 55,920l. before referred to, the Great Western Company shall in no way be liable to the payment of interest thereon. But should the Great Western Company, under Article 5 of the recited agreement of the 14th day of July 1865, require any outlay to be made on the railways of the



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Buckfastleigh Company, or should the Buckfastleigh Company require to raise any sum not exceeding 1,000*l.* for the payment of the debts of that company other than those scheduled to the scheme of arrangement filed in the High Court of Justice by the Buckfastleigh Company, the Buckfastleigh Company shall raise any sum so required by the issue at not less than par value of the said remaining sum of 10,000*l.* B Debenture Stock, or of so much thereof as shall be required; and the Great Western Company will, at the request of the Buckfastleigh Company, authorise such issue, and from the date of such stock being issued the Great Western Company shall guarantee out of the receipts of the Buckfastleigh Company's Undertaking in each year interest on such stock so issued at the rate of 4*l.* per cent. per annum, and shall thenceforth be entitled to charge the said interest in the same way as provided in Article 5 of this agreement in respect of the interest on the said sum of 55,920*l.* "B Debenture Stock Guaranteed." And in all other respects such further issue of B Debenture Stock shall be subject to this agreement as if the same had hereby been included in the amount of "B Debenture Stock Guaranteed" hereby provided for.

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4. Article 38 of the recited agreement of the 14th day of July 1865 shall be and is hereby cancelled from and after this agreement coming into operation.
5. If and whenever the amounts paid by the Great Western Company in respect of interest on the A Debenture Stock, or on the A Debenture Stock Guaranteed, and on the 55,920*l.* B Debenture Stock Guaranteed, or on the additional amount of that stock herein-before referred to, shall amount to more than the proportion of the receipts payable to the Buckfastleigh Company by the Great Western Company for the respective half year out of the gross receipts of the Buckfastleigh Railway, then the amount of the excess for the respective half year, with interest thereon at the rate of 4*l.* per cent. per annum, shall be made good to the Great Western Company out of the moneys thereafter payable under Article 37 of the recited agreement out of the gross receipts from the Buckfastleigh Railway to the Buckfastleigh Company.
6. Except as modified by this agreement, the heads of arrangement between the South Devon Company and the Buckfastleigh Company, dated the 11th day of May 1864, and the recited agreement of the 14th day of July 1865, shall be valid and binding on the Great Western Company and the Buckfastleigh Company.
7. The Great Western Company shall not be in any way liable for the payment of the directors and auditors remuneration, the salary of the secretary, or other office and management expenses of the Buckfastleigh Company.
8. This agreement is only conditional on the Amalgamation Bill receiving the royal assent in the present session of Parliament, but if it receives the royal assent this agreement shall be in perpetuity from the day of the date hereof, and this agreement shall be subject to the sanction

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of Parliament and to such alterations as Parliament may think fit to make therein, and, if practicable, the same shall be scheduled to and confirmed by the Amalgamation Bill.

9. All differences arising between the Buckfastleigh Company and the Great Western Company relating to this agreement, and all questions as to the carrying into effect of any of its provisions, or any thing to be done by either of the parties hereto, to be determined by arbitration under the Railway Companies Arbitration Act, 1859, by a single arbitrator, to be (if not agreed on) nominated by the Board of Trade with ample powers.

In witness whereof the Companies parties hereto have hereunto affixed their respective common seals, the day and year first above written.

(Signed) G. COTTMAN,  
 Assistant Secretary.



The seal of the Buckfastleigh, Totnes, and South Devon Railway Company was affixed hereto in the presence of

(Signed) H. CECIL NEWTON,  
 Secretary.



**SCHEDULE B.**

STATEMENT of Buckfastleigh, Totnes, and South Devon Railway "A"  
 Debenture Stock referred to in Section 25 of the foregoing Act.

No. of Certificate.	Date of Certificate.	Amount of Holding.
		£
5	July 1st, 1876 - -	200
14	July 1st, 1876 - -	2,000
28	June 23rd, 1877 - -	500
29	August 4th, 1877 - -	1,000