



CHAPTER cxii.

An Act for granting further powers to the Gainsborough Gas Company. A.D. 1898.
[25th July 1898.]

WHEREAS by the Gainsborough Gas Act 1856 (in this Act called "the Act of 1856") the Gainsborough Gas Company (in this Act called "the Company") were incorporated and were empowered to supply the townships hamlets and other parts of the parish of Gainsborough in the county of Lincoln with gas and by that Act the share capital of the Company was fixed at twenty thousand pounds in twelve thousand pounds of stock in the Act of 1856 called "original stock" and eight thousand pounds in four hundred shares of twenty pounds each in the Act of 1856 called "new shares" which original stock and new shares are in this Act called "original capital" and the Company were authorised to borrow on mortgage a sum not exceeding in the whole five thousand pounds :

And whereas the whole of the original capital of the Company has been issued and paid up :

And whereas the Company have borrowed on mortgage the sum of five thousand pounds bearing interest at the rate of four pounds per centum per annum :

And whereas in order to enable the Company to meet the growing demands for gas within the limits authorised to be supplied by them it is expedient that the Company should be authorised to raise additional capital and to raise a further sum by borrowing :

And whereas it is expedient that further powers should be conferred on the Company as in this Act provided :

And whereas the purposes of this Act 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

A.D. 1898. 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 Gainsborough Gas Act 1898.

Incorporation of general Acts.

2. The Gasworks Clauses Act 1847 the provisions of the Companies Clauses Consolidation Act 1845 with respect to the following matters (that is to say):—

The distribution of the capital of the Company into shares ;

The transfer or transmission of shares ;

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

The forfeiture of shares for non-payment of calls ;

The remedies of creditors of the Company against the shareholders ;

The borrowing of money by the Company on mortgage or bond ;

The conversion of borrowed money into capital ;

The consolidation of shares into stock ;

The general meetings of the Company and the exercise of the right of voting by the shareholders ;

The making of dividends ;

The giving of notices ;

The provision to be made for affording access to the special Act by all parties interested ;

and Part I. (Cancellation and Surrender of Shares) Part II. (Additional Capital) and Part III. (Debenture Stock) of the Companies Clauses Act 1863 as amended by subsequent Acts are (so far as the same respectively are applicable for the purposes of and not varied by or inconsistent with the provisions of this Act) incorporated with and form part of this Act and the Gasworks Clauses Act 1871 shall subject to the provisions of this Act apply to the undertaking of the Company as if the same had been authorised by this Act.

Interpretation.

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 something in the subject or context repugnant to such construction.

Powers as to electricity.

4. The Company if they think fit may under the provisions of the Electric Lighting Acts 1882 and 1888 or any other Act for the time being in force with respect to the supply of electricity make application for a Provisional Order or licence to produce and supply electricity for public and private purposes and may apply their funds for the purpose of such application.

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5. The Company may take hold and use patent rights or licences or authorities (not being exclusive) under any letters patent for the use of any invention relative to the manufacture conversion utilization or distribution of gas and residual products.

Power to hold licences under letters patent.

6. The Company may raise in addition to the original capital any additional capital not exceeding in the whole the sum of twenty-five thousand pounds (in this Act called "additional capital") by the creation and issue of new ordinary shares or stock or new preference shares or stock or by any one or more of those methods respectively as the Company shall think fit (the preference dividend assigned to any such new preference shares or preference stock not exceeding the rate of six pounds per centum per annum) but the Company shall not issue any share of less nominal value than twenty pounds and no shares or stock shall vest in the person or corporation accepting the same unless and until the full price of such shares or stock including any premium obtained upon the sale thereof shall have been paid in respect thereof Provided that it shall not be lawful for the Company to create and issue under the powers of this Act any greater nominal amount of additional capital than shall be sufficient to produce including any premiums which may be obtained on the sale thereof the sum of twenty-five thousand pounds.

Power to Company to raise additional capital.

7. The Company shall not in any year declare or make out of their profits any larger dividends on the original capital than ten pounds in respect of every one hundred pounds actually paid up of the original capital and seven pounds in respect of every one hundred pounds actually paid up of so much of the additional capital as may be issued as ordinary capital or six pounds in respect of every one hundred pounds actually paid up of so much of such additional capital as may be issued as preference capital.

Limits of dividend on capital.

8. In case in any year or in any half-year (if the Company declare a dividend half-yearly) the net revenues of the Company applicable to dividend are insufficient to pay the full amount of the prescribed rates on each class of ordinary shares or stock in the original capital and additional capital a proportionate reduction shall be made in the dividends payable on each class.

Dividends on different classes of shares or stock to be paid proportionately.

9. Notwithstanding anything in this Act contained the Company shall when any shares or stock created under the powers of this Act are to be issued and before offering the same to the holder of any other shares or stock in the Company and whether such shares or stock of the Company be at a premium or not offer the same for sale by public auction or by tender in such manner at such times and subject to such conditions of sale as the Company

New shares or stock to be offered by auction or tender.

A.D. 1898. shall from time to time determine Provided that at any such sale no single lot shall comprise more than one hundred pounds nominal value of shares or stock and that the reserved price put upon such shares or stock shall not be less than the nominal amount thereof and notice of the amount of such reserved price shall be sent by the Company in a sealed letter to the Board of Trade not less than twenty-four hours before the day of auction or the last day for the reception of tenders as the case may be and such letter may be opened after such day of auction or last day for the reception of tenders and not sooner and provided that no priority of tender shall be allowed to any holder of shares or stock in the Company.

Where proprietor tenders same amount as any other person proprietor to be declared the purchaser.

10. When the amount tendered by the proprietor of any shares or stock of the Company for any lot of shares or stock offered for sale by tender under the provisions of this Act is equal to the highest amount tendered for the same lot by any person not being a proprietor then and in every such case such proprietor shall be declared to be the purchaser of and to be entitled to such lot.

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

11. It shall be one of the conditions of any sale of shares or stock under this Act that the full price thereof including any premium given by any purchaser at such sale shall be paid to the Company within three months after such sale.

Notice to be given as to sale of shares or

12. The intention to sell any such shares or stock by auction or by tender shall be communicated in writing to the clerk to the urban district council of Gainsborough and to the secretary of the committee of the London Stock Exchange at least twenty-eight days before the day of auction or the last day for the reception of tenders as the case may be and notice of such intention shall be duly advertised once in each of two consecutive weeks in one or more local newspaper or newspapers circulating within the limits of supply.

Shares or stock not sold by auction or by tender to be offered to share or stock holders.

13. When any shares or stock created under the powers of this Act have been offered for sale by auction or tender and not sold the same shall be offered at the reserved price put upon the same for the purpose of sale by auction or tender to the holders of ordinary shares or stock of the Company in manner provided by the Companies Clauses Act 1863 Provided always that any shares or stock so offered and not accepted within the time prescribed by the said Act shall again be offered for sale by public auction or by tender in the manner and subject to the provisions of this Act with respect to the sale of shares or stock created under the powers of this Act but at a lower reserved price than the price put upon the same at the preceding offer thereof for sale by auction or tender and the reserve put upon such shares or stock may upon such second

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auction or tender if the directors of the Company think fit be less than the nominal amount thereof and any shares or stock not then sold shall be again offered to the holders of shares or ordinary stock at the last mentioned reserved price and so from time to time until the whole of such shares or stock is sold.

14. Any sum of money which shall arise from the issue of any such shares or stock by way of premium after deducting therefrom the expenses of and incident to such issue shall not be considered as profits of the Company but shall be expended in extending or improving the works of the Company or in paying off money borrowed or owing on mortgage by the Company and shall not be considered as part of the capital of the Company entitled to dividend Provided that in any case where a power to raise money by borrowing or to create an insurance fund is made proportionate to the paid up capital the premium received from the sale of shares or stock by auction or tender as herein-before provided shall for such purpose be reckoned as part of the paid up capital.

Application of premium arising on issue of shares or stock.

15. The additional capital by this Act authorised shall form part of the general capital of the Company The proprietors of any new ordinary shares or of any new ordinary stock to be issued under the authority of this Act shall be entitled to one vote in respect of every new ordinary share or of twenty pounds of paid up ordinary stock and shall subject to the provisions of this Act and to the priority of the proprietors of any preference shares or preference stock be entitled to a dividend with the other holders of ordinary shares or stock.

Incidents of additional capital.

16. Except as otherwise provided by the resolution creating the same no person shall be entitled to vote in respect of any shares or stock in such additional capital to which a preferential dividend shall be assigned.

Holders of preference capital not to vote.

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

As to conversion of borrowed money into capital.

18. If any money be payable to a shareholder stockholder mortgagee or debenture stockholder being a minor idiot or lunatic the receipt of the guardian or committee of his estate shall be a sufficient discharge to the Company for the same.

Receipt of guardian &c. to be sufficient discharge.

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Power to
borrow in
respect of
additional
capital.

19. The Company may subject to the provisions of this Act borrow on mortgage of the undertaking any sum or sums not exceeding in the whole one-fourth part of the amount of the additional capital by this Act authorised to be raised and at the time actually issued by shares or by stock but no part thereof shall be borrowed until the whole of the shares or stock at the time issued together with the premium (if any) realised on the sale thereof shall have been fully paid up and the Company have proved to the justice who is to certify under the fortieth section of the Companies Clauses Consolidation Act 1845 before he so certifies that such shares and stock and premium (if any) have been issued and fully paid up and upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which certificate shall be sufficient evidence thereof.

Debenture
stock.

20. The Company may create and issue debenture stock subject to the provisions of Part III. of the Companies Clauses Act 1863 but notwithstanding anything therein contained the interest of all debenture stock and of all mortgages at any time created and issued or granted by the Company after the passing of this Act under the Act of 1856 or under this Act or any subsequent Act shall subject to the provisions of any subsequent Act rank *pari passu* (without respect to the dates of the securities or of the Acts of Parliament or resolutions by which the stock and mortgages were authorised) and shall have priority over all principal moneys secured by such mortgages. Notice of the effect of this enactment shall be endorsed on all mortgages and certificates of debenture stock.

Application
of moneys.

21. All moneys raised under this Act whether by the issue of shares or stock or by borrowing shall be applied only to the purposes of the Company to which capital is properly applicable.

Priority of
mortgages
and debenture
stock
over other
debts.

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

23. All mortgages granted by the Company in pursuance of any Act of Parliament before the passing of this Act and subsisting at the passing hereof shall during the continuance of such mortgages have priority over any mortgages granted by virtue of this Act but nothing in this section contained shall affect any priority of the interest of any debenture stock at any time created and issued by the Company.

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Priority of
existing
mortgages.

24. Section 16 of the Act of 1856 (Arrears may be enforced by appointment of a receiver) is hereby repealed but without prejudice to any appointment heretofore made or to any proceedings pending at the passing of this Act and in lieu thereof the mortgagees of the Company may enforce payment of arrears of interest or principal or principal and interest due on their mortgages by the appointment of a receiver and in order to authorise the appointment of a receiver in respect of arrears of principal the amount owing to the mortgagees by whom the application for a receiver is made shall not be less in the whole than three thousand pounds.

For appoint-
ment of a
receiver.

25. If at any time within three years after the passing of this Act the urban district council of Gainsborough (herein-after called "the council") shall give not less than six months' notice in writing to the Company of their desire to purchase the undertaking of the Company (herein-after called "the undertaking") and shall obtain the consent of the Local Government Board to such purchase and shall apply to Parliament for power to purchase the undertaking and to supply gas within the urban district of Gainsborough it shall not be lawful for the Company to oppose such application (except as to the details thereof) and if such powers of purchase and supply be granted the Company shall sell and the council shall purchase the undertaking for such price or consideration and on such terms and conditions as may be agreed upon between the Company and the council or as failing such agreement shall be determined by arbitration in accordance with the provisions of the Lands Clauses Acts with reference to the purchase and taking of lands otherwise than by agreement and in the construction of the said provisions the expression "the promoters of the undertaking" shall mean the council and the expression "lands" shall mean the undertaking:

Provisions
with re-
ference to
sale of
undertaking
to urban
district
council.

Provided that in addition to the sum to be paid by the council to the Company under the foregoing provisions of this section the council shall pay to the Company the costs and expenses incurred by them of and incidental to the winding up of the Company the amount of such costs and expenses in default of agreement to be determined by arbitration as aforesaid.

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Quality of
gas.

Expenses
of Act.

26. Section 30 (Quality of gas) of the Act of 1856 shall be read and construed as if instead of the words "ten sperm candles" the words "fifteen sperm candles" were inserted.

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

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