CHAPTER ccxiv.

An Act for effecting an arrangement with respect to the Mortgage and other Debts of the Cork and Kinsale Junction Railway Company; and for other purposes. A.D. 1878.

[8th August 1878.]

WHEREAS by the Cork and Kinsale Junction Railway Act, 1859 (herein-after called "the Act of 1859"), the Cork and Kinsale Junction Railway Company (therein and in this Act called "the Company") were incorporated with a capital of forty-five thousand pounds in ordinary shares, and with power to borrow fifteen thousand pounds on mortgage or bond, and the Company were empowered to make and maintain a railway eleven miles or thereabouts in length (herein-after called "the railway") extending from the Cork and Bandon Railway to Kinsale, and to enter into agreements for the working of the railway by the Cork and Bandon Railway Company: 22 Vict. c. xxiii.

And whereas by the Cork and Kinsale Junction Railway Act, 1863 (herein-after called "the Act of 1863"), the Company were empowered to substitute preference shares for a portion of their said ordinary shares (a substitution carried into effect to the extent of twenty-four thousand two hundred pounds), and to issue additional preference shares to the extent of twenty thousand pounds, and to borrow on mortgage the additional sum of six thousand six hundred pounds: 23 & 27 Vict. c. lvi.

And whereas by the Cork and Kinsale Junction Railway (Additional Capital) Certificate, 1865 (herein-after called "the certificate of 1865"), the Company were authorised to create additional capital to the amount of twenty thousand pounds, and to borrow on mortgage one third of the additional capital thereby authorised:

And whereas by the Cork and Kinsale Junction Railway Act, 1868 (herein-after called "the Act of 1868"), the borrowing powers under the certificate of 1865 were repealed, and the Company were authorised to borrow on mortgage the sum of fifteen thousand 31 & 32 Vict. c. clxxvi.

A.D. 1878.

pounds, with a view to provide rolling or working stock to make and complete approach roads to the terminal station of the railway at Kinsale, and for other purposes:

And whereas a scheme of arrangement between the Company and their creditors (herein-after called "the arrangement scheme" and scheduled to this Act) was filed in the Court of Chancery in England on the 29th day of May 1868, under the powers of the Railway Companies Act, 1867, and such arrangement scheme was duly confirmed and enrolled in the said court on the 22nd day of February 1869:

30 & 31 Vict. c. 127.

And whereas under the powers contained in the arrangement scheme and the Act of 1868, or either of them, the sum of two thousand three hundred and fifty-five pounds, out of a sum of four thousand pounds thereby authorised to be raised, has been issued as "A" debenture stock to various creditors in satisfaction of their respective claims, but no further money has been raised under the authority of the arrangement scheme or of the Act of 1868, and the mortgage debts and share capital of the Company now amount to the sum of eighty-six thousand six hundred pounds, as set forth in the recitals of the arrangement scheme, together with the said sum of two thousand three hundred and fifty-five pounds of "A" debenture stock, making together the sum of eighty-eight thousand nine hundred and fifty pounds:

And whereas the railway was completed and opened for traffic on the 27th day of June 1863, but has not of late been worked by the Cork and Bandon Railway Company to the advantage of the public or of the Company, and the Cork and Bandon Railway Company can at any moment give notice to terminate the agreement for working the railway:

And whereas in order properly to accommodate the trade of Kinsale and the district, and to improve the revenue of the Company, it is expedient that the Company should work their railway by means of their own rolling stock and plant, but the Company cannot carry into effect the statutory and other powers conferred upon them for this purpose except by the grant of further money powers for the purchase of such rolling stock and plant:

And whereas the Company are and have long been unable to pay any portion of the principal of their mortgage or other debts, as well as the greater portion of the interest thereon, and such principal is now overdue, and there are arrears of interest due upon the said mortgage debt and "A" debenture stock amounting on the 30th day of June 1877, to the sum of eight thousand one hundred and forty-seven pounds:

And whereas the arrangement scheme provided or attempted to provide for an arrangement and settlement of the claims of creditors of the Company (other than mortgagees), and also for settling and defining the rights of mortgagees and shareholders in manner therein specified by means of the debenture stock thereby or by the Act of 1868 authorised to be created, but the consent of the creditors to such arrangement and settlement of their claims was made a condition precedent to the issue of the said debenture stock:

And whereas the Court of Chancery in Ireland, on or about the 26th day of January 1872, upon the petition of certain non-assenting creditors, made an order for the appointment of a receiver over the undertaking of the Company:

And whereas certain of the mortgagees have since intervened in the said Court of Chancery in Ireland, and the court has ordered that the balance from time to time accruing in the hands of the receiver should be paid to such mortgagees according to their respective priorities, but the money so available is only sufficient to meet a small proportion of the claims of the mortgagees, leaving nothing in hand for the benefit of the judgment or other creditors, and the preference and ordinary shareholders:

And whereas great loss and injury are occasioned to the Company by the continuance of litigation in the Court of Chancery, and the said appointment of a receiver prevents the proper management of the railway and the development of traffic by the Company:

And whereas parts of the arrangement scheme were carried into effect, but owing to the aforesaid condition as to the assent of creditors no further money can be raised for the purposes of the undertaking as contemplated by such scheme, which has thereby, as well as through lapse of time and other circumstances, become in part inapplicable and inoperative, and it is therefore expedient to make certain modifications in the arrangement scheme, and that the same should otherwise be expressly confirmed and given effect to in manner herein-after mentioned:

And whereas in the present position of the Company it is impossible for them, under their existing powers, to raise capital for the purpose of providing rolling stock, or for any other object:

And whereas it is expedient that the Company should be authorised for the purposes herein-after defined to raise the sum herein-after mentioned by the issue of debenture stock which shall have priority over all the mortgage debt and preferential share capital of the Company, and shall form and be a first charge upon the Company's undertaking, and it is expedient that the Company should be empowered to create other debenture stock as herein-after

A.D. 1878.

mentioned to be assigned to mortgagees and creditors in lieu of arrears of interest or debts due to them respectively:

And whereas the Bill for this Act has been assented to in writing by three fourths in value of the said mortgage creditors and holders of the said preferential capital respectively and by the ordinary shareholders of the Company at an extraordinary general meeting of the Company specially called for that purpose:

And whereas in order to insure the continued and effectual working of the railway for public traffic, and also to enable the Company ultimately to fulfil their engagements, it is expedient that during the period herein-after limited all suits, actions, executions, attachments, and other proceedings against the Company or their property with reference to existing or accruing debts or liabilities should be stayed, subject to the provisions herein-after contained, and that the rolling stock and plant and other property or effects hereby or by the arrangement scheme authorised to be purchased should be in like manner protected:

And whereas the several purposes aforesaid cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted; and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows; that is to say,

Short title.

1. This Act may be cited for all purposes as the Cork and Kinsale Junction Railway (Arrangement) Act, 1878.

Incorporation of general Act. 26 & 27 Vict. c. 118.

2. Part III. of the Companies Clauses Act, 1863, (relating to debenture stock) is (except where expressly varied by this Act) incorporated with and forms part of this Act.

Arrangement scheme as amended to be read as one with Act.

3. Save as herein-after mentioned, and where the context is repugnant to this Act, the arrangement scheme shall be read and construed as one with this Act, and shall have the like force and validity.

Extension of time for payment of mortgages.

4. Article 2 of the scheme of arrangement shall be read throughout as though the period therein fixed for payment of the principal sums of the existing mortgages of the Company were the thirty-first day of December 1883, and, notwithstanding anything in the arrangement scheme set forth or expressed, the rate of interest payable on such mortgages shall be and continue according to the rate originally agreed between the Company and their mortgagees respectively.

Discharge of receiver, and application of fund in court.

5. From and after the passing of this Act the functions of the receiver appointed on behalf of any creditor or creditors or mortgagees of the Company by the Court of Chancery in Ireland, or the Chancery Division of the High Court of Justice in Ireland (both of which are herein-after referred to as the court), shall as regards all tolls or sums of money thereafter accruing absolutely cease, and upon the passing of his accounts the receiver so appointed shall be discharged and removed, and upon the application of the directors of the Company the court shall in the first place provide out of any sums standing to the credit of the cause or matter or in the hands of the said receiver for all the costs of such receiver in the cause or matter, and for such other payments as the court may direct, and shall order the balance to be transferred to the Company, and the same shall be applied in meeting the claims for interest of the mortgage creditors according to their respective priorities, and in the event of any surplus thereafter remaining it shall be applied towards the general purposes of the undertaking.

Protection of rolling stock and plant.

6. The engines, tenders, carriages, trucks, machinery, tools, fittings, materials, furniture, and effects constituting the rolling stock and plant used or provided or to be provided by the Company for the purposes of their traffic, or of their stations or workshops, shall not be liable to be taken and shall not be taken in execution at law or in equity at any time after the passing of this Act, and before the thirty-first day of December 1883, and during such period no suit, action, execution, attachment, or other proceeding at law or equity shall be begun, issued, or taken against the Company in any court of law or other judicature, or shall affect the property of the Company: Provided always, that nothing in this Act shall alter or affect the right and liability of the Company to sue and be sued in any court of law or other judicature in respect of any matter or thing connected with the business of the Company as common carriers of goods or passengers, nor shall the same affect any proceedings in any court of law or other judicature instituted or hereafter to be instituted against or by the Company in respect of such business, or of any claim or injury arising from tort, loss, or negligence on the part of the Company.

Issue of preference debenture stock.

7. Section 15 of the Act of 1868 empowering the Company to borrow on mortgage is hereby repealed, and in substitution for the borrowing powers given to the Company by article 6 of the arrangement scheme the Company may (in addition to the said "A" debenture stock, and to the amount they are already authorised to borrow) borrow on debenture stock any sum not exceeding fifteen thousand pounds at such rate of interest as they may think fit not exceeding five pounds per centum per annum; the said stock to be

A.D. 1878.

called "preference debenture stock," and to be charged upon the undertaking revenue, personal effects, and property of the Company ranking before and in preference to the existing mortgages and debenture stock: Provided that the money to arise from the exercise of the powers conferred by this section be applied first to the payment of the costs of this Act; secondly, to the providing of rolling or working stock, and in payment for any signals or other appliances for the efficient working of the line provided or to be provided, and to such other purposes as are specified in article 7 of the arrangement scheme; thirdly, to the construction of a tramway or to such other purposes as will more effectually carry out the objects specified in sub-section 5, article 5, of the arrangement scheme; and, lastly, to the general purposes of the undertaking.

As to "B" debenture stock.

8. The proviso to article 10 of the arrangement scheme relating to the consent of the creditors to the arrangement and settlement of their claims before the issue of the "B" debenture stock to be created under the said scheme is hereby repealed.

As to "C" and "D" debenture interest stock, and further issue of "A" debenture stock.

9. For the purpose of paying the arrears of interest accruing and accrued upon their existing mortgages and "A" debenture stock up to the thirtieth day of June 1878, the Company may create and issue "C" debenture stock to an amount not exceeding three thousand four hundred and eighty-five pounds in respect of arrears of interest upon the Company's mortgage debt under the Act of 1859, and may also create and issue "D" debenture stock to an amount not exceeding three thousand six hundred and sixty-five pounds in respect of arrears of interest upon the Company's mortgage debt under the Act of 1863, and may make a further issue of "A" debenture stock in respect of arrears of interest upon the said stock not exceeding nine hundred and ninety-seven pounds, and such new debenture stocks and further issue of stock respectively shall bear interest at the rate of five per centum per annum, and as to priority shall rank with the mortgages or debenture stock in respect of which they are respectively created: Provided always, that in respect of all arrears of interest upon the existing mortgage and debenture stock, and upon the debenture stocks by this Act authorised, the suspense period by this Act created shall apply, and such arrears of interest (if any) shall not be enforced until the said thirty-first day of December 1883: Provided also, that if any creditor, mortgagee, or debenture stockholder for the time being of the Company shall be a minor, idiot, or lunatic, his or her respective guardians or committee shall be hereby empowered to take and hold the stocks by this Act authorised to be created and issued, and that the powers granted by article 15 of the arrangement scheme

to trustees and other parties therein mentioned shall in like manner extend to the taking and holding of the said stocks. A.D. 1878.

Authorised capital of Company defined.

10. In substitution of the definition of the authorised capital of the Company contained in article 12 of the arrangement scheme such capital shall henceforward be deemed to consist as follows; (that is to say,)

	Amount.
(1.) Preference debenture stock authorised by this Act not exceeding - - - - -	£15,000
(2.) Mortgages granted under the Act of 1859 - -	15,000
(3.) Mortgages granted under the Act of 1863 - -	6,600
(4.) "A" debenture stock issued or purporting to be issued under the arrangement scheme and the Act of 1868, or either of them, not exceeding -	2,355
(5.) "B" debenture stock authorised by this Act and the arrangement scheme not exceeding - -	30,000
(6.) "C" (interest) debenture stock authorised by this Act (to meet arrears of interest on mortgages of 1859) not exceeding - - - -	3,485
(7.) "D" (interest) debenture stock authorised by this Act (to meet arrears of interest on mortgages of 1863) not exceeding - - - -	3,665
(8.) Further issue of "A" debenture stock authorised by this Act (to meet arrears of interest on "A" debenture stock) not exceeding - - -	997
(9.) Preference shares issued bonâ fide or now held by bonâ fide third parties - - . -	7,830
(10.) Original shares - - - - -	20,800

Priorities of different mortgages as between themselves.

11. Nothing in this Act contained shall prejudice, affect, or alter the rights or priorities of any class of existing mortgages or debenture stock in relation to any other class of such mortgages or debenture stock, and as between themselves the holders of such respective classes of mortgages or debenture stock shall retain the same rights and priorities as they had previous to the passing of this Act.

Application of revenue.

12. Article 13 of the arrangement scheme relating to the application of revenue is hereby repealed, and in lieu thereof it is hereby provided that from and after the passing of this Act all the future receipts of the Company on revenue account, after deducting the working and other expenses and outgoings payable on income account, shall be applied in the order and priority following; namely,

(1.) In payment, pari passu, of the interest on the preference debenture stock:

A.D. 1878.

(2.) In payment, pari passu, of the interest on the mortgages granted under the Act of 1859 and on the "C" interest debenture stock respectively:

(3.) In payment, pari passu, of the interest on the mortgages granted under the Act of 1863 and on the "D" (interest) debenture stock respectively:

(4.) In payment, pari passu, of the interest on the "A" debenture stock and on the further issue thereof respectively:

(5.) In payment, pari passu, of the interest on "B" debenture stock:

(6.) In payment of dividends, pari passu, on the 783 preference shares of the nominal value of 7,830*l.*:

(7.) In payment of dividends, pari passu, on the ordinary shares.

Doubts as to issue of "A" debenture stock removed.

13. And whereas the existing "A" debenture stock purports to have been issued under the authority of the Act of 1868, but the creation and issue of such stock was in fact authorised by the arrangement scheme: Be it therefore enacted, that the said "A" debenture stock, not exceeding 2,355*l.*, shall be as valid as if the same had been issued under the arrangement scheme, and not under the Act of 1868, and as to priority shall rank as in this Act specified.

Proceedings at certain meetings of Company and their mortgagees declared valid.

14. And whereas after the appointment of the said receiver by the Court of Chancery in Ireland, the statutory meetings of the Company and of their mortgagees were not regularly held, and doubts have in consequence arisen as to the lawful holding of and validity of the proceedings at the meetings respectively convened and held by the Company and by their mortgagees on the 27th of February 1878: Be it therefore enacted that, notwithstanding anything to the contrary, the convening and holding of such meetings and the proceedings thereat respectively shall be and the same are hereby confirmed and declared valid.

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

15. The Company shall not, out of any money by this Act 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.

Railway not exempt from provisions of present and future general Acts.

16. Nothing in this Act contained shall be deemed or construed to exempt the Company or their railways 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 the present or any future session of Parliament, or from any future revision and alteration, under the authority of Parliament, of the maximum rates of fares and charges, or of the rates for small parcels, authorised by the Act of 1859.

Expenses of Act.

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

A.D. 1878.

SCHEDULE.

CORK AND KINSALE JUNCTION RAILWAY COMPANY.

A SCHEME of ARRANGEMENT between the CORK AND KINSALE JUNCTION RAILWAY COMPANY (herein-after referred to as "the Company") and their CREDITORS, prepared by the Directors in exercise of the powers and in pursuance of the provisions of the Railway Companies Act, 1867, with provisions for settling and defining the rights of shareholders of the Company among themselves, and for raising loan capital.

Whereas the Company were incorporated by the Cork and Kinsale Junction Railway Act, 1859 (herein-after called "the Act of 1859"), and was thereby authorised to construct a railway (herein-after called "the railway") from the Cork and Bandon Railway to Kinsale, being in length eleven miles, with a capital of 45,000*l.* in ordinary shares, and power to borrow 15,000*l.* on mortgage or bond, and to enter into agreements for the working of their railway by the Cork and Bandon Railway Company:

And whereas the Company were authorised by the Cork and Kinsale Junction Railway Act, 1863 (herein-after called) "the Act of 1863", to substitute preference shares for a portion of their said ordinary shares, which was exercised to the extent of 24,000*l.*, and to issue additional preference shares to the extent of 20,000*l.*, and to borrow on mortgage 6,600*l.*:

And whereas the Company were further authorised by the Cork and Kinsale Junction Railway (Additional Capital) Certificate, 1865 (herein-after called "the certificate of 1865"), to create additional capital to the amount of 20,000*l.*, and to borrow on mortgage to the amount of one third of the additional capital thereby authorised:

And whereas all the powers of raising money by borrowing conferred by the Act of 1859 and the Act of 1863 have been exercised, but no money has been raised under the certificate of 1865, and the following is

A STATEMENT of the Mortgage Debts and Share Capital of the Company as now existing.

—	Mortgage Debts.	Preference Shares.		Total Preference Shares.	Ordinary Shares.	TOTAL.
		Subscribed for and issued bonâ fide or in the hands of bonâ fide third parties.	Issued as collateral security to Creditors of the Company.			
Under the Act of 1859 and conversion powers of 1863 -	£15,000	£7,830	£16,370	£24,200	£20,800	£60,000
Under the Act of 1863	6,600	—	20,000	20,000	—	26,600
	£21,600	£7,830	£36,370	£44,200	£20,800	£86,600

And whereas on the 27th day of June 1863 the railway was completed and opened for traffic:

And whereas an agreement was made under the Act of 1859 between the Company and the Cork and Bandon Railway Company for the working of the railway by the last-mentioned Company, and such agreement will expire in the month of June 1868:

And whereas the railway has not been worked by the Cork and Bandon Railway Company to the advantage either of the public or of the Company:

And whereas the Company are promoting, in the present session of Parliament, a Bill for an Act, intituled "An Act to make more effectual provision for the "working of the Cork and Kinsale Junction Railway, and for other purposes," which Bill contains the following amongst other powers; viz.,

1. Power to run over and use the Cork and Bandon Railway, together with the terminal and intermediate stations, and other conveniences connected therewith.
2. Power for the mortgagees of the Company to elect two directors.
3. Power to borrow on mortgage an additional sum of 15,000*l.* for the purposes inter alia of paying the costs of the Act, and for providing rolling or working stock for the purposes of the Company's undertaking, and for other purposes:

And whereas the following is—

A statement of the half-yearly receipts of the railway since it was opened for traffic:

For the half year ending the	31st Dec.	1863	-	£1,000	4	7
Do.	do.	30th June	1864	-	957	10	5
Do.	do.	31st Dec.	1864	-	926	4	10
Do.	do.	30th June	1865	-	1,027	10	1
Do.	do.	31st Dec.	1865	-	1,141	10	10
Do.	do.	30th June	1866	-	1,219	9	2
Do.	do.	31st Dec.	1866	-	1,161	17	10
Do.	do.	30th June	1867	-	1,412	0	5
Do.	do.	31st Dec.	1867	-	1,275	5	10

And whereas the following is a statement showing the working expenses and profits of the line for the year 1867,

Viz.:—Traffic receipts - - -	£2,687	6	3
Less 30 per cent., as per agreement with the Cork and Bandon Company, for working expenses - - - -	806	3	11
Leaving profit - -	£1,881	2	4

And whereas Mr. Joseph William Holland, a judgment creditor of the Company for 2,341*l.* 3*s.* 6*d.*, instituted proceedings by cause petition against the Company in the Court of Chancery in Ireland, and on or about the 24th day of March 1866, Master Fitzgibbon, the master of the court to whom such cause petition was referred, made an order for the appointment of a receiver over the undertaking of the Company:

And whereas the said receiver had from the date of his appointment up to the 31st day of December 1867 received and paid into court the sum of

A.D. 1878.

3,148*l.* 14*s.* 11*d.*, and such sum (less by a sum of 200*l.* paid out by an order of the said master to the secretary of the Company for and on account of his claim for arrears of salary and office expenses) is now in the said court to the credit of the said proceedings or in the hands of the receiver:

And whereas the said master subsequently to the appointment of the said receiver decided that the debt of the said Joseph William Holland ranked, in point of priority, subsequent to certain claims made in respect of purchase money or compensation for land, and to the mortgage or bond debts of the Company (which latter the master held constituted the first charge on the fund realised by the receiver after the amounts owing in respect of purchase money or compensation for land), and the said Joseph William Holland having appealed from the said decision to the Master of the Rolls in Ireland, his Honour has confirmed the decision of said master; but the said Joseph William Holland has stated that he has been advised and intends to appeal from such last-mentioned decision to the Court of Appeal in Chancery, and ultimately, if necessary, to the House of Lords, and pending such proceedings the fund in court cannot be distributed:

And whereas there are heavy claims against the Company in respect of purchase money or compensation for land, certificates of indebtedness (commonly known as Lloyds' bonds), and other liabilities, and a large portion of the principal sums secured on mortgages of the Company is now overdue, and to enforce such claims, and to recover payment of principal sums and interest due on such mortgages and certificates of indebtedness, numerous suits and actions and other proceedings have been commenced against the Company:

And whereas the sums owing for purchase money or compensation for land amount to the sum of 495*l.* 19*s.* 11*d.*, or thereabouts, and there is further owing in respect of the other liabilities of the Company, exclusive of those on mortgage, the sum of 55,000*l.*, or thereabouts:

And whereas the total principal sum owing on the mortgages of the Company amounts to 21,600*l.*, and the interest thereon to the 31st December 1867 amounts to 2,500*l.*, or thereabouts:

And whereas the directors cannot raise any of the money which the Company are still authorised to raise on shares and mortgages, and the Company are unable to meet their engagements with their creditors:

Therefore, and in order to prevent the further waste of the revenues and resources of the Company in litigation, and the stoppage of the working of the railway on the termination of the agreement with the Cork and Bandon Railway Company, and in order to enable the Company to continue such working, and to develop the traffic and resources of the Company's undertaking for the benefit of all parties interested, and in order to make and carry into effect such arrangements as appear to the directors to be most equitable and just, having due regard to the rights, remedies, and interests of all such parties,

The directors have, in exercise of the powers to them given by the Railway Companies Act, 1867, in this behalf, prepared this scheme of arrangement between the Company and their creditors, with provisions for settling and defining the rights of shareholders of the Company among themselves,

and for raising additional loan capital as herein-after expressed; that is to say,

Article 1.—The proceedings instituted and now pending in the Court of Chancery in Ireland shall be discontinued, and the receiver appointed in the said proceedings discharged and removed, and the fund in court, or in the hands of the receiver or of the Company, shall be paid to the directors and applied in the order and priority following; (that is to say,)

1. In payment of the claims in respect of purchase money or compensation for land.
2. In payment of the arrears of interest due on the Company's mortgages at the date of the confirmation of this scheme, but subject to the conditions mentioned in Article 2.
3. In payment of the sum of 300*l.* to Joseph W. Holland on account of his judgment debt of 2,341*l.* 3*s.* 6*d.*
4. In payment (if or so far as the balance available after payment of the foregoing may permit) of the sum of 150*l.* to the secretary of the Company in respect of the amount due to him for services rendered to the Company, or for moneys disbursed by him on the Company's behalf since the 12th January 1866.
5. The balance (if any) remaining after payment of the foregoing shall be held by the directors to be applied in meeting future charges on revenue account as prescribed by Article 13.

Article 2.—The time for payment of the principal sums of all the existing mortgages of the Company, amounting to 21,600*l.*, shall be extended until the 31st day of December 1870, as if such day had been the time fixed in the respective mortgages, and the rate of interest payable thereon shall be reduced to 4*l.* per cent. per annum from the 1st day of January 1868 inclusive to the said 31st day of December 1870 inclusive: Provided that in case the principal sums due on the said mortgages shall not be paid on the 31st December 1870, then as and from the said last-mentioned day the interest to accrue upon such mortgages shall be at the same rate as now payable thereon respectively; and provided further, that the holders of such mortgages are to be remitted to their rights independently of this article in case in the meantime any arrangement should be authorised and come to respecting the railway, or the mortgages of the Company under any public general Act of Parliament which may be passed consequent upon a report of the Railways (Ireland) Commission, or otherwise.

Article 3.—The powers of raising money under the certificate of 1865 shall not be exercised, and are hereby if not already repealed or extinguished.

Article 4.—The Company may (in addition to the amount they have already borrowed) borrow on debenture stock any sum not exceeding 4,000*l.*, at such rate of interest as they may think fit, not exceeding 5 per cent. per annum, the said stock to be called "'A' debenture stock," and to be charged upon the undertaking, revenue, personal effects, and property of the Company, and as to priority ranking next after the existing mortgages of the Company, but subject to the provisions contained in Article 6 in this scheme.

A.D. 1878.

ARTICLE 5.—The money to arise from the exercise of the powers conferred by Article 4 shall be applied for any of the following purposes of the undertaking of the Company, but not otherwise; that is to say,

1. In paying the costs, charges, and expenses incident to the preparing for, obtaining, and passing the said Bill before Parliament.
2. In paying the costs, charges, and expenses incurred in the preparation, establishing, and carrying into effect of this scheme.
3. In payment of a further sum of 200*l.* agreed to be paid to Joseph William Holland in "A" debenture stock at par on account of and in further part discharge of his judgment debt.
4. In payment of the balance due to the secretary of the Company at the date of the confirmation of this scheme in respect of services rendered by him to the Company, and in repayment of the moneys disbursed by him on the Company's behalf, but so as not to include any services rendered or moneys disbursed by him prior to 12th January 1866.
5. In making and completing approach roads to the terminal station at Kinsale, including purchase of land required therefor and the works and conveniences connected therewith.

ARTICLE 6.—The Company may (in addition to the amount to be raised under Article 4) borrow on debenture stock any sum not exceeding 11,000*l.*, at such rate of interest as they may think fit, not exceeding 5 per cent. per annum, the said stock to be called, as in Article 4, "'A' debenture stock," and to be charged upon the undertaking, revenue, personal effects, and property of the Company, and as to priority ranking pari passu with the portion of the said "A" debenture stock to be raised under said Article 4: Provided always, that inasmuch as the estimated cost of providing rolling stock and other matters mentioned in the Article 7 is 11,000*l.*, and such rolling stock and other matters will not need to be provided if and so long as arrangements may exist for working the railway by the Cork and Bandon Railway Company, or any other Company; the exercise of the power of raising money conferred by this article shall be suspended, if and so long as any such arrangement may be in operation, but nothing in this proviso shall affect the right or title of any mortgagee or debenture stockholder, or make it obligatory on such mortgagee or holder to ascertain that the right to raise the full sum of 11,000*l.* or the sum for which he is a mortgagee or debenture stockholder, has arisen.

ARTICLE 7.—The money to arise from the exercise of the powers conferred by Article 6 shall be applied to the following purposes of the undertaking of the Company, but not otherwise; that is to say,

In providing rolling or working stock for the purposes of the railway, and in erecting workshops for the repair of such rolling stock, and all works, machinery, and conveniences connected therewith.

ARTICLE 8.—The powers conferred by Articles 4 and 6 shall not be exercised in case the Company are authorised to raise the sum of 15,000*l.* by borrowing as mentioned in Clause 15 of the said Bill now before Parliament, but in such event the moneys raised under such parliamentary powers shall be applied in accordance with the provisions contained in Articles 4 and 6 in this scheme, or as near thereto as may be, regard being had to the provisions in the said Act.

Article 9.—The Company may further create debenture stock to an extent not exceeding 30,000*l.*, said stock to be called "'B' debenture stock," and to bear interest at 4 per cent. per annum, and to be charged upon the undertaking, revenue, personal effects, and property of the Company, and as to priority ranking next after the existing mortgages, and any debenture stock to be created under the powers conferred by Articles 4 and 6.

Article 10.—Such last-mentioned debenture stock shall be issued and applied in arranging and settling the claims of the creditors of the Company (other than mortgagees and creditors, the payment of whose claims is provided for by Articles 1 and 6), amounting to the sum of 55,000*l.* or thereabouts: Provided that before such stock shall be so issued the consent of the said creditors to such arrangement and settlement of their claims respectively shall be first had and obtained.

Article 11.—When and so soon as the claims mentioned in the last article shall be arranged and settled, all preference shares (other than the 783 preference shares bonâ fide subscribed for or held by bonâ fide third parties), and all certificates of indebtedness, and other securities respectively issued and given to the creditors of the Company as security for their debts, shall be cancelled, and the share capital of the Company shall be reduced by the nominal amount of such shares so cancelled.

Article 12.—The authorised capital of the Company shall henceforward be deemed to consist of the following mortgages, "A" debenture stock and "B" debenture stock (but as regards such "A" and "B" debenture stock only so far as the same respectively may be created under Articles 4, 6, and 9), and preference shares and original shares; that is to say,

	Amount. £
(1.) Mortgages granted under the Act of 1859 -	15,000
(2.) Mortgages granted under the Act of 1863 -	6,600
(3.) Such "A" debenture stock as shall be created under the powers of Article 4, not exceeding -	4,000
(4.) Such "A" debenture stock as may be created under Article 6, should such powers be exercised, not exceeding - - -	11,000
(5.) Such "B" debenture stock as shall be created under the powers of Article 9, not exceeding -	30,000
(6.) Preference shares issued bonâ fide or now held by bonâ fide third parties - - -	7,830
(7.) Original shares - - - - -	20,800
	£95,230

Article 13.—From and after the confirmation of this scheme, all the future receipts on revenue account, after deducting the working and other expenses and outgoings payable on income account, shall be applied in the order and priority following; namely,

1. In payment, pari passu, of the interest on the mortgages granted under the Act, as provided in Article 2.

A.D. 1878.

2. In payment, pari passu, of the interest on the mortgages granted under the Act of 1863, as provided in Article 2.
3. In payment, pari passu, of the interest on such "A" debenture stock as shall be created under the powers of Articles 4 and 6.
4. In payment, pari passu, of the interest at 4*l.* per cent. per annum on such "B" debenture stock as shall be created under the powers of Article 9.
5. In payment of dividends, pari passu, on the 783 preference shares of the nominal value of 7,830*l.* referred to in Article 11.
6. In payment of dividends, pari passu, on the ordinary shares.

ARTICLE 14.—Any mortgage granted for money borrowed by the Company for the purpose of and duly applied in paying off any mortgage of the Company on the undertaking of the Company shall stand in the place of the mortgage paid off.

ARTICLE 15.—It shall be lawful for all trustees, executors, and administrators, corporations, and married women, holding or being entitled to or interested in any mortgages, land, or other debt or shares, to accept any offer made to them respectively under the provisions of this scheme, and to exercise all or any of the powers of voting or consenting, and other powers and discretions by the Railway Companies Act, 1867, or by this scheme given to mortgagees, landowners, and other creditors and shareholders respectively.

ARTICLE 16.—It shall be lawful for the holders of debenture stock created under Article 9 to vote at all meetings of the Company, and to possess one vote in the proportion for every one hundred pounds of said stock so held.

ARTICLE 17.—This scheme may be altered from time to time as the judge may determine.

H. WILLIAMS WOOD,
Secretary.

The Seal of the Cork and Kinsale Junction Railway Company.

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