STATUTORY INSTRUMENTS

1986 No. 2

WATER, ENGLAND AND WALES

The Eastbourne Water (Financial Provisions) Order 1986

Made - - - -	*3rd January* 1986
Coming into Operation	*6th January* 1986

The Secretary of State for the Environment, in exercise of powers conferred by sections 23, 32(1) and 50 of the Water Act 1945(**a**) and now vested in him(**b**), and of all other powers enabling him in that behalf, hereby makes the following order:—

Citation and commencement

1.—(1) This order may be cited as the Eastbourne Water (Financial Provisions) Order 1986 and shall come into operation on 6th January 1986.

(2) The Eastbourne Water Acts and Orders 1859 to 1984 and this order may be cited together as the Eastbourne Water Acts and Orders 1859 to 1986.

Interpretation

2. In this order, unless the context otherwise requires—

"the Company" means The Eastbourne Waterworks Company;

"consolidated ordinary stock" means the 4.9 per cent. consolidated ordinary stock created by this order;

"the date of consolidation" means such date as may be determined by resolution of the directors;

"the directors" means the directors for the time being of the company;

"the existing enactments" means The Eastbourne Water Acts and Orders 1859 to 1984;

"existing ordinary capital" means the ordinary capital of the Company specified in the Schedule to this order and issued under the authority of the existing enactments;

"the Order of 1983" means the Eastbourne Water (Financial Provisions) Order 1983(**c**);

"share" means share in the capital of the Company and includes stock except when a distinction between stock and shares is expressed or implied, and "share capital" shall be construed accordingly;

"the undertaking" means the undertaking of the Company as for the time being authorised by any enactment.

(**a**) 1945 c. 42. (**b**) S.I. 1951/142, 1900, 1970/1681.
(**c**) S.I. 1983/1188.

Application of enactments

3.—(1) For the purposes of this order section 98 of the Companies Clauses Consolidation Act 1845(a) (which requires proceedings to be entered in books) shall have effect as if after the words "shall be signed by the chairman of such meeting" there were inserted the words "or of the next succeeding meeting".

(2) Section 94 of the Third Schedule to the Water Act 1945 (which requires undertakers to keep a copy of the special Act at their principal office and to deposit copies with certain officers) shall apply to the undertaking and is hereby incorporated with this order.

Additional capital and borrowing powers

4. The proviso to subsection (1) of section 4 (Capital and borrowing powers) of the order of 1983 shall have effect as if in paragraph (*a*) for the word "twice" there were substituted the words "three times".

Conversion and consolidation of existing ordinary capital

5.—(1) On the date of consolidation—

(*a*) the existing ordinary capital shall be converted and consolidated into, and there shall be created by virtue of this order, such amount of 4.9 per cent. consolidated ordinary stock as is necessary for the purposes of this order; and

(*b*) the consolidated ordinary stock shall vest without payment in the holders of the existing ordinary capital in accordance with the provisions of this order and in substitution for the existing ordinary capital, and shall rank as a single class of stock conferring on the holders the same rights, between themselves, in all respects.

(2) Subject to subsection (5) below, the Company may in any year pay in respect of the consolidated ordinary stock a dividend not exceeding 4.9 per cent.

(3) The consolidated ordinary stock shall be divided among the holders of the existing ordinary capital as follows, namely:—

(*a*) for each £1 of Original Ordinary (maximum 7 per cent.) stock, £1.43 of consolidated ordinary stock;

(*b*) for each £1 of Improvement (maximum 4.9 per cent.) stock, £1 of consolidated ordinary stock;

(*c*) for each ordinary (maximum 4.9 per cent.) share of £20, £20 of consolidated ordinary stock;

(*d*) for each ordinary (maximum 4.9 per cent.) share of £1, £1 of consolidated ordinary stock.

(4) The consolidated ordinary stock shall be treated as fully paid up.

(5) The Company may in any year pay a dividend on the consolidated ordinary stock in excess of 4.9 per cent. per annum for the purpose of making up deficiencies in previous dividends on the consolidated ordinary stock during the last five years before the year in respect of which the dividend is being paid.

(a) 1845 c. 16.

Registration of consolidated ordinary stock and ranking for dividend

6.—(1) The Company shall as soon as practicable after the date of consolidation register the consolidated ordinary stock in the respective names of the persons entitled thereto.

(2) As from the date of consolidation—

(*a*) the existing ordinary capital shall cease to rank for dividend; and

(*b*) the consolidated ordinary stock shall rank for dividend.

Fractional parts of one pound of consolidated ordinary stock

7.—(1) Where under this order the holder of any existing ordinary capital is entitled to be registered as the holder of an amount of consolidated ordinary stock which comprises or includes part of one pound, then in lieu of registering the holder and issuing to him a certificate as holder of an amount of consolidated ordinary stock comprising or including that part, the Company shall pay to the holder a sum in cash equal to the nominal value of that part and shall register the holder and issue to him a certificate as holder of the amount of consolidated ordinary stock to which he is otherwise entitled.

(2) The receipt of the holder of any existing ordinary capital, or in the case of joint holders the receipt of that one of them whose name stands first in the register, for a sum in cash paid pursuant to subsection (1) of this section shall be a sufficient discharge to the Company in respect of each fractional part.

(3) The Company shall cancel any consolidated ordinary stock in respect of which a payment has been made under subsection (1) of this section and any consolidated ordinary stock so cancelled shall be deemed not to have been created or authorised by this order.

Exchange and alteration of certificates

8.—(1) The Company shall call in and cancel the certificates of the Original Ordinary stock referred to in section 5(3)(*a*) above and issue in lieu thereof certificates of the consolidated ordinary stock to which the holders are entitled by this order, but no holder of any Original Ordinary stock shall be entitled to a new certificate under this order until he has delivered up to the Company to be cancelled the certificate or certificates of his Original Ordinary stock or has proved to the reasonable satisfaction of the directors the loss or destruction thereof and has given such guarantee or indemnity in respect thereof as the directors may require.

(2) If any holder of Original Ordinary stock neglects or omits to send or deliver to the Company his certificate or certificates thereof for the period of one year after notice in writing sent by post to him at his address as shown in the shareholders' or stockholders' address book or other index of the Company, the Company may retain any dividend or interest declared or payable upon or in respect of the consolidated ordinary stock to which he is entitled until such certificate or certificates is or are sent or delivered to the Company or proved to the reasonable satisfaction of the directors to have been lost or destroyed and such guarantee or indemnity as the directors may require is given.

(3) The Company shall issue to each holder of existing ordinary capital other than the Original Ordinary stock adhesive or similar labels to be affixed to the certificates of such capital indicating clearly that the certificates represent holdings of consolidated ordinary stock to the same nominal value as the holding of existing ordinary capital shown on each certificate and, in the case of the £20 ordinary shares, the amount of the holding expressed in units of the consolidated ordinary stock:

Provided that no certificate shall be invalidated by reason of any failure to affix a label issued by the Company under this subsection.

Substituted stock or cash to be held on same trusts, etc.

9. All consolidated ordinary stock issued to holders of the existing ordinary capital and any sums paid by the Company in cash pursuant to section 7 above shall be held in the same rights upon the same trusts and subject to the same powers, provisions, charges and liabilities as those in or upon or subject to which the existing ordinary capital was held immediately before the date of consolidation, and shall be dealt with, applied and disposed of accordingly and so as to give effect to and not to revoke any deed, will or other instrument disposing of or affecting any such existing ordinary capital; and trustees, executors or administrators and all other holders in any representative or fiduciary capacity and persons under disability may retain, dispose of or otherwise deal with the consolidated ordinary stock of which they are, pursuant to the foregoing provisions of this order, registered as holders as fully and freely in all respects as they might have retained, disposed of or otherwise dealt with the existing ordinary capital held by them.

Transfers, etc., by present name to be valid

10.—(1) After the date of consolidation all transfers or other dispositions of any existing ordinary capital shall be valid and have due effect given to them respectively as transfers of the respective amounts of consolidated ordinary stock and cash (if any) payable under section 7 above which the existing ordinary capital thereby expressed to be transferred or disposed of represents, notwithstanding that the instrument of transfer or disposition describes the capital by the name or denomination which it had before the date of consolidation.

(2) A bequest of, or any covenant or provision of any deed or agreement relating to, any specific amount of any of the existing ordinary capital shall be construed so as to relate to the nominal amount of consolidated ordinary stock and cash (if any) payable under section 7 above representing such existing ordinary capital.

Closing of transfer books, etc., before date of consolidation

11.—(1) In addition to any period during which, under section 17 of the Companies Clauses Consolidation Act 1845 (which relates to the closing of transfer books), they may close the registers of transfers kept by the Company, the directors may at any time between the coming into operation of this order and the date of consolidation close the register of transfers of the existing ordinary capital for a period not exceeding fourteen days.

(2) Any transfer of any of the existing ordinary capital lodged for registration with the Company while the register of transfers of such capital is so closed shall, as between the Company and the person claiming under the transfer but not otherwise, be considered as made on the date on which the appropriate register of transfers is re-opened.

Persons to be treated as stockholders

12.—(1) For the purposes of section 5(2) above, the persons whose names appear as the holders of the existing ordinary capital in the books of the Company immediately before the date of consolidation shall, unless the contrary be proved to the satisfaction of the directors, be considered to be the holders of that capital, and the receipt in writing of any such person or of the executors or administrators of any such person or of the guardian or receiver of the estate of any such person being an infant or, as the case may be, a person incapable, by reason of mental disorder, of managing and administering his property and affairs, shall be an effectual discharge to the Company and the directors.

(2) Where the directors are for six months after the date of consolidation unable after diligent enquiry to ascertain the person to whom in pursuance of the foregoing provisions of this order any consolidated ordinary stock ought to be transferred or money ought to be paid, or who can give an effectual receipt therefor, they may at any time after the expiration of that period pay such stock or money into court as if it belonged to a trust of which they were trustees.

Minimum holdings of shares and stock

13. All consolidated ordinary stock of the Company issued under this order, and all ordinary shares or stock of the Company issued after the coming into operation of this order, shall be transferable in multiples of one pound and no holding including a fraction of one pound shall be entered in the register of transfers of the Company.

Voting rights

14. The voting rights of the ordinary stockholders of the Company shall not be affected by anything in this order and accordingly at all general meetings of the Company (whether ordinary or extraordinary) after the date of consolidation, every holder of consolidated ordinary stock shall be entitled to one vote for every sum of twenty pounds of such stock held by him but not for any fraction of twenty pounds.

Repeals

15. The following are hereby repealed:—

In The Eastbourne Waterworks Act 1921(**a**)—

subsections (1) to (3) of section 20 (Voting);

section 21 (Conversion of original and improvement stock into ordinary shares).

(**a**) 1921 c. xxvi.

Costs of Order

16. All costs, charges and expenses of and incidental to the application for, and the preparation and making of, this order shall be paid by the Company and may in whole or in part be defrayed out of revenue.

SCHEDULE

EXISTING ORDINARY CAPITAL

	Nominal amount issued £
Original Ordinary Stock — 7% (formerly 10%) maximum dividend	11,600
Improvement Stock — 4.9% (formerly 7%) maximum dividend	29,000
Ordinary Shares of £20 each — 4.9% (formerly 7%) maximum dividend	394,540
Ordinary shares of £1 each — 4.9% (formerly 7%) maximum dividend	60,116
	£495,256

Signed by authority of
the Secretary of State
3rd January 1986.

J. A. L. Gunn,
An Under Secretary in the
Department of the Environment.

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