CHAPTER lxxiv.

An Act to confirm and give effect to arrangements between the Corporation of Manchester and the Manchester Ship Canal Company with respect to the financial relations between the two bodies and to empower the Manchester Ship Canal Company to raise further money by borrowing and to create additional capital and for other purposes. [22nd July 1904.] A.D. 1904.

WHEREAS by the Manchester Ship Canal Act 1885 (in this Act referred to as "the Act of 1885") the Manchester Ship Canal Company (in this Act called "the Company") were incorporated with power to raise for the purposes mentioned in the said Act a share capital of eight million pounds and to borrow two million pounds and by the Manchester Ship Canal (Various Powers) Act 1890 (in this Act referred to as "the Act of 1890") the Company were authorised to raise additional capital to the amount of six hundred thousand pounds by mortgage or by the creation and issue of debenture stock:

And whereas by the Manchester Ship Canal Act 1886 the Company were authorised out of the said capital to pay interest (at a rate not exceeding four per centum per annum) during construction of the works authorised by the Act of 1885 to the shareholders in the Company on the amount from time to time paid up on the shares held by them respectively but subject to the conditions that the aggregate amount of the interest to be paid should not exceed seven hundred and fifty-two thousand pounds and that the amount by the Act of 1885 authorised to be raised by loan should be reduced by one-fourth of the amount expended in payment of such interest:

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And whereas by the Manchester Ship Canal Act 1887 (in this Act referred to as "the Act of 1887") the Company were authorised to issue a moiety of their said share capital as preference capital entitled to a preferential dividend after the rate of five pounds per centum per annum payable out of the profits of each year in priority to the ordinary shares:

And whereas the Company have created and issued the whole of their share capital and there had been paid up thereon on the thirtieth day of June one thousand nine hundred and three the sum of three million nine hundred and ninety-nine thousand nine hundred and sixty-one pounds in respect of the preference shares and three million nine hundred and ninety-seven thousand four hundred and forty-two pounds sixteen shillings and elevenpence in respect of the ordinary shares:

And whereas the Company had up to the thirtieth day of June one thousand nine hundred and three under the powers of the Act of 1885 created mortgage debentures to the amount of one million eight hundred and twelve thousand pounds and had issued a portion of those debentures as perpetual mortgage debentures to the amount of one million three hundred and fifty-nine thousand pounds bearing interest at the rate of three and a half per centum per annum and had also issued a further portion of those debentures as mortgage debentures to the amount of four hundred and forty-eight thousand pounds bearing interest at the rate of four per centum per annum and repayable at par on the first day of January one thousand nine hundred and fourteen with the option to the holders thereof to take them in lieu of cash perpetual mortgage debentures bearing interest at the rate of three and a half per centum per annum or (if the Company should so prefer) perpetual debenture stock bearing the same rate of interest:

And whereas the said amounts of one million three hundred and fifty-nine thousand pounds and four hundred and forty-eight thousand pounds together with five thousand pounds the capitalised value of certain rentcharges payable in respect of certain properties acquired by the Company make up the amount which the Company have created under the borrowing powers conferred on them by the Act of 1885:

And whereas the Company have under the powers of the Act of 1890 created and issued second mortgage debentures to the amount of six hundred thousand pounds repayable on the first day of January one thousand nine hundred and fourteen on the

like terms as the said mortgage debentures amounting to four hundred and forty-eight thousand pounds:

And whereas under the powers of the Manchester Ship Canal Act 1891 (in this Act referred to as "the Act of 1891") and the Manchester Corporation (Ship Canal) Act 1893 (in this Act referred to as "the Corporation Act of 1893") the Company were authorised to raise the further sum of five million pounds and the lord mayor aldermen and citizens of the city of Manchester (in this Act referred to as "the corporation") have lent to the Company on the security of mortgage debentures issued by the Company under the powers of those Acts such sum of five million pounds:

And whereas the traffic on the Manchester Ship Canal authorised by the recited Acts (hereinafter referred to as "the canal") is increasing and further capital is now required for the purpose of enabling the Company to exercise and carry out the powers and provisions contained in certain leases and agreements for leases entered into by them and for other purposes of the Company and it is accordingly expedient that the Company should be authorised to raise by borrowing further money not exceeding in the whole the sum of two million pounds:

And whereas with a view to enabling the Company to raise such further money the corporation have agreed that the same shall rank in priority to the corporation debentures and that the interest on the corporation debentures shall be reduced from four and a half to three and one fifth per centum per annum and that the corporation debentures shall be made irredeemable and incapable of transfer by the corporation:

And whereas it is expedient that the amounts annually payable by the corporation to the Canal Loan Sinking Fund under the Act of 1891 the Corporation Act of 1893 and the Manchester Corporation Act 1896 should be reduced as by this Act provided:

And whereas it is expedient that for the purpose of discharging arrears of interest on the corporation debentures and for other the purposes of this Act the Company should be authorised to create and issue preference shares or stock having priority over the existing preference and ordinary shares of the Company as hereinafter provided and that the provisions hereinafter contained should be made with respect to the directors of the Company and the committee of directors to fix rates established under the Corporation Act of 1893 and the Manchester Ship Canal (Additional capital &c.) Act 1893 (hereinafter referred to as "the Company's Act of 1893"):

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And whereas it is expedient to make further provision with reference to the apportionment of the profits of the Company and to alter the provisions contained in section 35 of the Manchester Ship Canal Act 1893 in reference to the Upper Mersey Navigation:

And whereas an absolute majority of the whole number of the council of the city of Manchester (in this Act referred to as "the council") at a meeting held on the eleventh day of November one thousand nine hundred and three after ten clear days' notice by public advertisement of such meeting and of the purpose thereof in the Manchester Courier a local newspaper published and circulating in the city of Manchester (in this Act referred to as "the city") such notice being in addition to the ordinary notices required for summoning such meeting resolved that the Bill for this Act should be promoted by the corporation:

And whereas such resolution was published twice in the said Manchester Courier and has received the approval of the Local Government Board:

And whereas the propriety of the promotion of the Bill for this Act was confirmed by an absolute majority of the whole number of the council at a further special meeting held in pursuance of a similar notice on the third day of February one thousand nine hundred and four being not less than fourteen days after the deposit of the Bill in Parliament:

And whereas in relation to the promotion of the Bill for this Act the requirements contained in the First Schedule to the Borough Funds Act 1903 have been observed:

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

Short title.

1. This Act may be cited as the Manchester Ship Canal (Finance) Act 1904.

Extension of certain provisions of Companies Clauses Acts.

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

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

The conversion of the borrowed money into capital;

The giving of notices; and

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

and Part III. of the Companies Clauses Act 1863 relating to debenture stock shall be applicable to the moneys hereby authorised to be raised by the Company by mortgage and to the proprietors thereof.

Interpretation.

3. In this Act unless the context otherwise requires—

"Recited Acts" means the Acts recited or referred to in the preamble to this Act;

"The canal loan sinking fund" means the canal loan sinking fund referred to in the Act of 1891 the Corporation Act of 1893 and the Manchester Corporation Act 1896;

"Corporation debentures" means the new mortgage debentures issued by the Company to the corporation under the Act of 1891 the Corporation Act of 1893 and the Company's Act of 1893;

"City rate" means the city rate of the city of Manchester.

Power to borrow.

4.—(1) The Company in addition to any moneys which they are already authorised to borrow under the recited Acts or under any other Act relating to the Company may at any time or times after the passing of this Act and subject to the conditions hereinafter set forth borrow on mortgage of their undertaking any sum or sums not exceeding in the whole two million pounds which shall have priority over the Corporation debentures.

(2) Five hundred and fifty thousand pounds (part of the said sum of two million pounds) may be borrowed by the Company in such amounts and at such times as they think fit and shall be applied for the execution of works or other purposes of the Company to which capital is properly applicable.

(3) Nine hundred and fifty thousand pounds (other part of the said sum of two million pounds) may be borrowed by the Company in such amounts and at such times as they think fit.

(4) The said sum of nine hundred and fifty thousand pounds or any part thereof shall be applied as far as may be necessary and at such time or times as the Company deem expedient for the purposes of determining or procuring the surrender of any leases granted by the Company to the Manchester Ship Canal Warehousing Company Limited and the Manchester Dock and

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Warehouse Extension Company Limited or either o : or of any agreements for leases entered into by the Company with those companies or either of them and any portion of the said sum not required for those purposes shall be applicable for the execution of any works or other purposes of the Company to which capital is properly applicable.

(5) Five hundred thousand pounds (other part of the said sum of two million pounds) shall only be borrowed by the Company with the consent of the corporation under their common seal but when such consent has been obtained the same may be borrowed by the Company in such amounts and at such times as they think fit and shall be applied for the execution of any works or other purposes of the Company to which capital is properly applicable.

(6) Provided that no person advancing to the Company any portion of the said sum of two million pounds shall be obliged to see to the application thereof or to inquire whether the corporation have consented to the borrowing of any portion thereof and the security of any mortgagee or debenture holder shall not be invalidated or otherwise affected by reason of the corporation not having so consented.

Priority of former mortgages &c.

5. All mortgages granted or to be granted by the Company in pursuance of the powers either of the Act of 1885 or of the Act of 1890 (including mortgages from time to time granted for the purpose of reborrowing under either of those Acts) shall during the continuance of such mortgages have priority over any mortgages granted under the powers of the section of this Act the marginal note of which is "Power to borrow" and section 14 (of which the marginal note is "Debenture stock") of the Act of 1885 shall be varied accordingly.

All mortgages granted or to be granted or any debentures issued or to be issued by the Company under the section of this Act the marginal note of which is "Power to borrow" (including mortgages from time to time granted for the purpose of reborrowing under such section) shall during the continuance of such mortgages and debentures respectively have priority over the corporation debentures created under the Act of 1891 the Company's Act of 1893 and the Corporation Act of 1893.

All mortgages granted and debentures issued under the powers of the section of this Act the marginal note of which

is "Power to borrow" shall be endorsed with notice of this enactment.

Receipt in case of persons not sui juris.

6. If any money is payable to a mortgagee or debenture holder being a minor idiot or lunatic the receipt of the guardian or committee of his estate shall be a sufficient discharge to the Company.

Rate of interest on corporation debentures to be reduced.

7. Notwithstanding anything in any of the recited Acts contained the following provisions shall have effect:—

(1) The interest payable by the Company to the corporation on the corporation debentures shall as from the thirty-first day of December one thousand nine hundred and four be at the rate of three and one fifth per centum per annum in lieu of four and a half per centum per annum as provided in the corporation debentures:

(2) The corporation debentures shall from and after the passing of this Act become and be perpetual irredeemable debentures and be incapable of transfer by the corporation:

(3) Each corporation debenture in the hands of the corporation shall be forthwith endorsed with a copy of this section of this Act.

As to corporation sinking fund.

8. Notwithstanding anything in the recited Acts contained the amount to be set aside by the corporation and paid into the canal loan sinking fund under the obligations of such Acts or any of them in respect of the moneys borrowed by the corporation under the Act of 1891 and the Corporation Act of 1893 shall on and after the first day of January one thousand nine hundred and five be such an annual sum as with the accumulations of the existing sinking fund will be sufficient with the accumulations thereof by way of compound interest at three pounds per centum per annum to repay such moneys within sixty years from the first day of January one thousand nine hundred.

Power to create additional preference capital for purposes of Act.

9. The Company may and shall from time to time for the purposes hereinafter stated create by way of additional capital preference shares of the nominal value of ten pounds each to be called "Manchester Ship Canal Corporation three and a half per centum preference shares" (in this Act referred to as "corporation preference shares") or preference stock to be called "Manchester Ship Canal Corporation three and a half per centum preference stock" (in this Act referred to as "corporation preference stock").

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The corporation preference shares or corporation preference stock shall be entitled in priority to the existing preference shares and ordinary shares of the Company to a preferential dividend after the rate of three and a half per centum per annum payable out of the profits of each year but if in any year ending on the thirty-first day of December there are not profits available for the payment of the full amount of dividend on such corporation preference shares or corporation preference stock in respect of that year no part of the deficiency shall be made good out of the profits of any subsequent year or out of any other funds of the Company.

All corporation preference shares issued to the Corporation as hereinafter provided shall be issued as and deemed to be fully paid.

The terms and conditions to which corporation preference shares or corporation preference stock are subject shall be clearly stated on the certificates thereof.

Subject to the provisions of this Act the corporation in respect of corporation preference shares and corporation preference stock shall have and may exercise all the rights of shareholders under this Act and any other Act relating to the Company and under the Companies Clauses Consolidation Act 1845 and the Acts amending the same except Part III. (Debenture stock) of the Companies Clauses Act 1863 which shall not be applicable.

Subject to the provisions of this Act sections 61 to 65 (Consolidation of shares) of the Companies Clauses Consolidation Act 1845 shall apply to corporation preference stock.

Company to issue preference shares or stock to corporation.

10.—(1) The Company shall issue to the corporation who shall accept the same in full satisfaction and discharge of all arrears of interest on the corporation debentures to the thirty-first day of December one thousand nine hundred and four corporation preference shares or corporation preference stock equivalent in nominal amount to the moneys paid to that date out of the city rate in respect of the interest upon Manchester Corporation 1891 redeemable stock issued in pursuance of the Act of 1891 and the Corporation Act of 1893 and also of the expenses of the management of and composition for stamp duty in respect of such stock but excluding the amounts set aside by the corporation for the canal loan sinking fund.

(2) The issue of corporation preference shares or corporation preference stock to the corporation by the Company in manner aforesaid shall be deemed to be a payment by the Company out

of capital of a sum equal in amount to the nominal amount of such shares or stock in discharge of the amount due by the Company to the corporation in respect of unpaid interest on corporation debentures to the thirty-first day of December one thousand nine hundred and four and the Company are hereby authorised to charge such payment as expenditure on capital account and to make such entries in their books and statements of account as may be consequently necessary.

(3) If in respect of any year ending on the thirty-first day of December subsequent to the thirty-first day of December one thousand nine hundred and four the Company shall fail to pay to the corporation out of the profits of that year the sum of one hundred and sixty thousand pounds being a sum calculated at the rate of three and one fifth per centum per annum upon the corporation debentures for five million pounds the Company shall create and issue to the corporation an additional amount of corporation preference shares or corporation preference stock equal in nominal amount to the difference between the said sum of one hundred and sixty thousand pounds and the amount paid by the Company and the corporation shall accept the same in full satisfaction and discharge of the aforesaid difference.

(4) The issue of any additional corporation preference shares or corporation preference stock in pursuance of subsection (3) of this section shall from time to time be deemed to be payments by the Company out of capital of a sum or sums of money equal in amount to the nominal amount of the additional shares or stock so issued in discharge of the amount due by the Company to the corporation in respect to the aforesaid difference and the Company are hereby authorised to charge such payments as expenditure on capital account and to make such entries in their books and statements of account as may be consequently necessary.

All moneys received by the corporation from dividends upon corporation preference shares or corporation preference stock shall be carried by them to the city fund.

As to directors.

11. Notwithstanding anything in any of the recited Acts contained the following provisions shall have effect:—

(1) The number of directors shall until otherwise agreed between the corporation and the Company be twenty-one of whom ten shall be always elected by the Company and eleven shall be always appointed by the corporation but the corporation and the Company

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may agree to vary the number and may from time to time reduce and again increase the number provided that the number of directors be never more than twenty-one:

(2) The number of directors of the Company appointed by the corporation shall always exceed by one the number elected by the shareholders:

(3) The chairman of the Company shall always be elected only by the directors elected by the shareholders:

(4) The deputy chairman of the Company shall always be elected only by the directors appointed by the corporation:

(5) The right of the corporation to appoint directors of the Company shall continue and is hereby vested in the corporation in perpetuity:

(6) Every person appointed a director by the corporation shall be a member of the council and may at any time be removed by the corporation who may thereupon appoint another member of the Council to be a director in the stead of the person so removed:

(7) Any vacancy occurring among the directors appointed by the corporation may be filled up by the corporation and any casual vacancy occurring among the directors elected by the shareholders may be filled up by the directors elected by the shareholders in the manner prescribed by section 89 of the Companies Clauses Consolidation Act 1845 and no vacancy shall invalidate the proceedings of the directors:

(8) No qualification other than being a member of the Council shall be required to be held by a director appointed by the corporation:

(9) A director appointed by the corporation shall not be disqualified from being the lord mayor or an alderman or councillor of the city by reason of his receiving any remuneration as a director of the Company:

(10) The committee of nine directors to fix rates established by the Corporation Act of 1893 and the Company's Act of 1893 shall be continued in perpetuity without liability to suspension and shall always consist of five directors selected from the directors elected by the

shareholders and of four directors selected from the directors appointed by the corporation:

(11) Until otherwise provided the persons who immediately before the passing of this Act were the directors the chairman and the deputy chairman of the Company shall continue to hold such offices as if elected or appointed under this Act upon the terms of their respective appointments and (as regards the directors elected by the shareholders) shall hold such offices for the residues of the periods for which they were respectively elected before the passing of this Act.

As to future apportionment of profits.

12. All profits of the Company after payment of the dividends on corporation preference shares and corporation preference stock shall notwithstanding anything contained in any of the recited Acts or other Acts relating to the Company be divisible as follows:—

Two thirds to the holders of the preference shares issued in pursuance of the powers of the Acts of 1885 and 1887;

One third to the ordinary shareholders:

Provided that when the said two thirds due to the holders of the preference shares issued in pursuance of the powers of the Acts of 1885 and 1887 shall in any year amount to two hundred thousand pounds all the remaining profits of that year shall be payable to the ordinary shareholders.

Amending section 35 of Manchester Ship Canal Act 1893.

13. The thirty-fifth section of the Manchester Ship Canal Act 1893 (hereinafter referred to as "the said section") shall be read with the following addition:—

If and so long as the dues payable to the Upper Mersey Navigation Commissioners under the Upper Mersey Navigation Acts 1876 and 1879 including the fixed annual payments for which such dues may be compounded shall be less than the maximum dues fixed by such Act of 1879 the sum of two thousand eight hundred pounds mentioned in the said section shall be reduced to an amount which will bear the same proportion to two thousand eight hundred pounds as the amount of the dues so reduced received each year during such period bears to the amount that would have been payable in respect thereof if the dues had during the same year been at their maximum and the liability of the Company under the said section shall for such period be modified accordingly.

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Repeal of scheduled enactments.

14. The sections and parts of sections specified in the Schedule hereto of the Acts mentioned in the said Schedule are hereby repealed.

Costs of Act.

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

The SCHEDULE referred to in the foregoing Act.

Act.	Section.	Marginal Note.	Portion repealed.
Manchester Ship Canal Act 1891.	17	Corporation to have rights of holders of new debentures.	The whole of the sections.
	21	Company may redeem new debentures in the hands of the corporation.	
	22	Corporation may sell new debentures in their hands.	
	23	Application of redemption moneys.	
	24	Corporation not to reborrow	
	25	Restriction on Company as to redemption of mortgages.	
	26	Corporation may require Company to apply surplus capital moneys in redemption of new debentures.	
	73	Expenses - - -	
Manchester Corporation (Ship Canal) Act 1893.	9	Amending section 26 of Act of 1891.	
	11	As to directors - -	
	12	As to chairman and deputy chairman.	
	13	Committee of directors to fix rates &c.	Subsection (4).
Manchester Ship Canal (Additional Capital &c.) Act 1893.	11	Amending section 26 of the Act of 1891.	The whole of the sections.
	13	As to directors - -	
	14	As to chairman and deputy chairman.	
	15	Committee of directors to fix rates &c.	Subsection (4).
Manchester Ship Canal (Surplus Lands) Act 1893.	9	Application of moneys to be received by Company under Act.	The whole of the sections.
Manchester Ship Canal Act 1897.	7	Application of moneys to be received by Company under Act.	

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