

incorporating a canal company and authorizing it to construct a canal, acquire land and levy tolls. All persons were to have the right to use the canal on payment of tolls. The company was to make and maintain bridges. Throughout the Act the obligations were imposed on the corporation, its successors and assigns. The canal was made and carried on until 1866 when the company was wound up and in 1874, the liquidator, with the sanction of the judge, sold the canal to William St. Aubyn. The word "undertaking" was not used in the conveyance, but St. Aubyn thereafter carried on the canal and levied tolls. In 1878 the company was dissolved by order of court. St. Aubyn ultimately sold the canal and by divers mesne conveyances it ultimately passed to the London & South West Canal Limited. This company was now in liquidation and the bridges over the canal having fallen into disrepair, the Woking Urban Council obtained an Act of Parliament in 1911 which authorized them to do the repairs and recover the costs from the company. The present proceeding was instituted for the purpose of recovering that outlay. Sargant, J., who heard the application, held the London & South West Canal Co., as assignees of the canal, were liable and that the expense was a first charge upon the property. The Court of Appeal (Cozens-Hardy, M.R., and Eady and Phillimore, JJ.) however, threw an entirely new light on the matter. In their judgment the original company had no power to assign their undertaking and nothing really passed by the conveyance to St. Aubyn in 1874. Furthermore on the dissolution of the company in that year the land of the company really reverted in law to the original grantors, who, however, were now barred by the Statute of Limitations as against St. Aubyn and his grantees and they had thus acquired a fee simple in the land, free from any obligations or rights of the original company. Consequently that the London & South West Canal Co. were owners of the canal, but were not bound to keep it up or do repairs and on the other hand they had no right to collect tolls. They also held that the Act of 1911 did not impose any fresh liability, and therefore no liability for repairs attached either to the London & South West Canal Company or their mortgagee.

COMPANY—PROMOTERS—LEASE "AGREED TO BE GRANTED"—
ABSENCE OF BINDING AGREEMENT—LEASE AFTERWARDS
GRANTED—CLAIM BY COMPANY TO APPORTION PRICE—FIDUCIARY POSITION OF PROMOTERS.

Omnium Electric Palaces v. Baines (1914) 1 Ch. 332. This was an action by a limited company against the promoters to recover from them a part of the purchase money paid to them