



Water Act 1989

1989 CHAPTER 15

PART II

WATER SUPPLY AND SEWERAGE SERVICES

CHAPTER V

OWNERSHIP AND FINANCES OF SUCCESSOR COMPANIES ETC.

83 Initial Government holdings

- (1) As a consequence of the vesting in accordance with any scheme under Schedule 2 to this Act of property, rights and liabilities of any water authority in that authority's successor company, that company shall issue such securities of the company as the Secretary of State may from time to time direct—
 - (a) to such limited company as may (whether before or after the transfer date) have been nominated by the Secretary of State by order made by statutory instrument as the nominated holding company of the successor company; or
 - (b) to the Secretary of State.
- (2) As a consequence of the issue by virtue of any direction under subsection (1) above of any securities of a company to that company's nominated holding company, the latter company shall issue such securities of the nominated holding company as the Secretary of State may from time to time direct—
 - (a) to the Treasury or the Secretary of State; or
 - (b) to any person entitled to require the issue of the securities following their initial allotment to the Treasury or the Secretary of State.
- (3) The Secretary of State shall not—
 - (a) make an order nominating any company as the nominated holding company of a successor company; or
 - (b) give a direction under subsection (1) or (2) above for the issue of securities,

Status: This is the original version (as it was originally enacted).

except at a time when the company nominated by the order or, as the case may be, the company which is directed to issue securities is wholly owned by the Crown.

- (4) Securities required to be issued in pursuance of this section shall be issued or allotted at such time or times and on such terms as the Secretary of State may direct.
- (5) Shares in a company which are issued in pursuance of this section—
 - (a) shall be of such nominal value as the Secretary of State may direct; and
 - (b) shall be issued as fully paid and treated for the purposes of the application of the Companies Act 1985 in relation to that company as if they had been paid up by virtue of the payment to the company of their nominal value in cash.
- (6) The Secretary of State shall not exercise any power conferred on him by this section, or dispose of any securities issued or of any rights to securities initially allotted to him in pursuance of this section, without the consent of the Treasury.
- (7) Any dividends or other sums received by the Treasury or the Secretary of State in right of or on the disposal of any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.