



# Water Act 1989

## 1989 CHAPTER 15

### PART II

#### WATER SUPPLY AND SEWERAGE SERVICES

### CHAPTER V

#### OWNERSHIP AND FINANCES OF SUCCESSOR COMPANIES ETC.

#### **91 Statutory accounts of the group.**

- (1) For the purposes of any statutory accounts of a water authority's successor company—
  - (a) the vesting effected in accordance with any scheme under Schedule 2 to this Act shall be taken—
    - (i) to have been a vesting in that company of all the property, rights and liabilities to which that authority was entitled or subject immediately before the end of their last accounting date and which, at that time, were not property, rights and liabilities relating to Part III functions; and
    - (ii) to have been effected immediately after that date;
  - and
  - (b) the value of any asset and the amount of any liability of that authority which is taken by virtue of paragraph (a) above to have been vested in that company shall be taken to have been the value or (as the case may be) amount assigned to that asset or liability for the purposes of the corresponding statement of accounts prepared by that authority in respect of the complete accounting year ending with that date.
- (2) For the purposes of any statutory accounts of a water authority's successor company the amount to be included in respect of any item shall be determined as if the company had done anything not relating to Part III functions which has been done by that authority (whether by way of acquiring, revaluing or disposing of any asset

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*Changes to legislation: There are currently no known outstanding effects for the Water Act 1989, Section 91. (See end of Document for details)*

or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise).

Accordingly (but without prejudice to the generality of the preceding provision) the amount to be included from time to time in any reserves of a water authority's successor company as representing the company's accumulated realised profits shall be determined as if any profits realised and retained by that authority had been realised and retained by the company.

- (3) For the purposes of any statutory accounts of the nominated holding company of a successor company—
- (a) a successor company which becomes a subsidiary of the holding company in the course of an accounting reference period of that successor company shall be assumed to have become such a subsidiary at the beginning of that period; and
  - (b) the value, at the time of its issue, of any security issued to the holding company in pursuance of section 83 or 85 above shall be taken—
    - (i) in the case of a share, to have been equal to its nominal value; and
    - (ii) in the case of a debenture, to have been equal to the principal sum payable under the debenture.
- (4) For the purposes of this section the question whether any property, right or liability of a water authority, or anything done by a water authority, relates to Part III functions shall be determined in accordance with such principles for determining whether anything so relates as the Secretary of State—
- (a) considers appropriate to apply in the case of that authority's successor company; and
  - (b) has notified to that company in writing.
- (5) References in this section to the statutory accounts of a company are references to any accounts prepared by the company for the purposes of any provision of [<sup>F1</sup>the Companies Act 2006] (including group accounts); and in this section—
- “accounting reference period” has the same meaning, in relation to a successor company, as in that Act;
- “complete accounting year,” in relation to a water authority, means an accounting year of the authority ending on 31st March;
- “the last accounting date”, in relation to any water authority, means the last day of the last complete accounting year of that authority to end before the transfer date; and
- “Part III functions”, in relation to a water authority, means the functions of that authority which are transferred to the Authority by virtue of this Act or correspond to any functions assigned to the Authority under this Act.

#### **Textual Amendments**

- F1** Words in s. 91(5) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 155](#) (with arts. 6, 11, 12)

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