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STATUTORY INSTRUMENTS

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1986 No. 1532

**WATER, ENGLAND AND WALES**

**The Portsmouth Water Order 1986**

Made - - - 29th August 1986

Coming into Operation 1st September 1986

The Secretary of State for the Environment, in exercise of powers conferred by sections 23, 33 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. This order may be cited as the Portsmouth Water Order 1986 and shall come into operation on 1st September 1986.

*Interpretation*

2. In this order —

“the Company” means the Portsmouth Water Company;

“share capital” includes ordinary stock and preference stock;

“the Third Schedule” means the Third Schedule to the Water Act 1945 having effect as applied to the undertaking;

“the undertaking” means the undertaking of the Company as from time to time authorised by any enactment.

*Modification of Companies Clauses Acts as applied to the Company*

3.—(1) In subsection (2) of section 3 (Incorporation of enactments) of the Portsmouth Water Order 1966(c) —

(a) for the words “where incorporated in any of the Acts and Orders comprising the Portsmouth Water Acts and Orders 1857 to 1978” there shall be substituted the words “as applying to the Company”; and

(b) the words from “and the said section 14” to the end of the subsection shall be omitted.

(2) In section 65 of the Companies Clauses Consolidation Act 1845(d), as applying to the Company, the words from “firstly” to “secondly” shall be omitted.

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(a) 1945 c.42.

(b) S.I. 1951/142, 1900, 1970/1681.

(c) S.I. 1966/1044.

(d) 1845 c.16.

*Capital and Borrowing Powers*

4.—(1) The Company may raise capital by —

- (a) the issue of shares;
- (b) borrowing on mortgage of their undertaking;
- (c) borrowing by the issue of debenture stock.

(2) Any sums to be raised in accordance with subsection (1), when added to —

- (a) the sums raised by the issue of existing share capital before; and
- (b) other amounts so raised by borrowing and still outstanding on;

the relevant date, shall not exceed £50 million.

(3) Subject to subsection (4), the Company shall take such steps as may be necessary to ensure that the amounts raised as mentioned in paragraphs (b) and (c) of subsection (1) which are at any time outstanding do not exceed twice the aggregate of —

- (a) the sums raised by the issue of existing share capital; and
- (b) the difference between the amount of the Company's reserves and the amount disclosed in the Company's last audited accounts which is attributable to the notional accumulated depreciation of tangible fixed assets which have not been depreciated in accordance with SSAP No. 12.

(4) With the consent of the Secretary of State, the Company may raise an additional amount as mentioned in paragraphs (b) and (c) of subsection (1) not exceeding ten per cent of the total on the relevant date of the sums and amount specified in paragraphs (a) and (b) of subsection (3).

(5) For the purposes of this section —

- (a) the amount raised by the issue of share capital or debenture stock is the amount raised after taking into account any premiums or discounts; and
- (b) in the case of any share capital or debenture stock issued for a consideration other than cash the nominal value shall be taken to have been the amount raised by that issue.

(6) The Company's powers of borrowing may be exercised without obtaining a certificate of a justice under section 40 of the Companies Clauses Consolidation Act 1845.

(7) Sums to be raised by the Company as mentioned in subsection (1)(a) may be raised by the issue of new ordinary shares or stock or new preference shares or stock or, at the Company's option, by any of those methods.

(8) The directors may, without further authorisation, raise the same amount of capital as they were authorised to raise, but which they had not so raised, before the coming into operation of this order.

(9) In this section —

“the Company’s reserves” means the aggregate of any of the following amounts appearing in the Company’s last audited balance sheet —

- (a) any capital reserve;
- (b) any sum carried forward in accordance with section 77 of the Third Schedule; and
- (c) any amounts standing to the credit of any reserve or contingency fund established and maintained in accordance with section 76 of the Third Schedule;

“relevant date” means the date on which the Company exercise the powers mentioned in subsection (1);

“SSAP No. 12” means the publication entitled “Statement of Standard Accounting Practice No. 12 — Accounting for Depreciation” issued by the bodies represented on the Consultative Committee of Accountancy Bodies.

*Variation of section 76 of Third Schedule*

5. In subsection (1) of section 76 (Reserve and contingency funds) of the Third Schedule there shall be inserted after the words “think fit”, the words “(not being provisions for liabilities or charges within paragraph 89 of Schedule 4 to the Companies Act 1985(a))”.

*Temporary borrowing*

6. The Company may borrow by way of temporary loan or overdraft —

- (a) not more than £2 million for the purpose of defraying expenses pending the receipt of revenues receivable by them in respect of the period of account in which those expenses are chargeable; and
- (b) such sums as they may require for the purpose of defraying expenses intended to be defrayed by —
  - (i) the issue of shares or stock which the Company are then empowered to issue, or
  - (ii) the borrowing of money on mortgage of the undertaking or the issue of debenture stock which the Company are then empowered to raise or issue.

*Revocation of orders*

7. The orders mentioned in column 1 of the Schedule to this Order are revoked to the extent mentioned in column 2.

*Costs of Order*

8. The 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.

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(a) 1985 c.6.

## SCHEDULE

### REVOCATIONS

Column 1 (Order)	Column 2 (Extent of revocation)
The Portsmouth and Gosport Water (Financial Provisions) Order 1962 (S.I. 1962/737)	The whole order.
The Portsmouth Water Order 1966 (S.I. 1966/1044)	In section 4 the proviso to subsection (1) and subsection (3).
The Portsmouth (River Itchen) Water Order 1970 (S.I. 1970/1621)	Section 4(3).
The Portsmouth Water (Financial Provisions) Order 1978 (S.I. 1978/1932)	The whole order.

Signed by authority of  
the Secretary of State  
29th August 1986.

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