



Statutory Water Companies Act 1991 (repealed)

1991 CHAPTER 58

PART I

POWERS OF STATUTORY WATER COMPANIES

Powers to issue redeemable stock

2 Powers to issue redeemable stock.

- (1) This section applies, subject to the following provisions of this Act, to every statutory water company which—
 - (a) has created or issued any redeemable stock; or
 - (b) has authority to create and issue any stock.
- (2) Subject to the following provisions of this section and to section 3 below, a company to which this section applies may from time to time issue, so as to be redeemable, any stock created by them or any redeemed stock.
- (3) No redeemed stock shall be issued under this section except for the purpose of effecting the redemption of redeemable stock under the provisions of section 3 below unless the issue is authorised by a resolution of a general meeting of the company.
- (4) No new stock shall be created, nor shall any redeemed stock be issued by a statutory water company, so as to make the total amount of any particular class of stock exceed the amount of stock of that class which the company is for the time being authorised to create except during an interval of three months between—
 - (a) the creation or, in the case of redeemed stock, the issue of the stock; and
 - (b) the completion of the redemption of redeemable stock for the purpose of redeeming which the stock of that particular class is proposed to be created or issued.

Status: Point in time view as at 01/12/1991.

Changes to legislation: There are currently no known outstanding effects for the Statutory Water Companies Act 1991 (repealed), Cross Heading: Powers to issue redeemable stock. (See end of Document for details)

- (5) Where any preference stock is created or issued by a statutory water company as mentioned in subsection (4) above, the amount raised by means of that stock shall, for the purposes of any enactment, statutory order or resolution regulating the borrowing powers of the company, be deemed during any such interval as is so mentioned not to have been raised.
- (6) In this section and section 3 below—
- “issue” includes reissue;
 - “preference stock” includes preference shares;
 - “redeemable stock” means stock issued so as to be redeemable;
 - “redeemed stock” means redeemable stock which has been redeemed and is available for issue under the provisions of this section or section 3 below; and
 - “stock” means preference stock or debenture stock.

3 Terms and conditions of issue and redemption of redeemable stock.

- (1) Subject to the following provisions of this section and to section 4 below, redeemable stock issued by a company to which section 2 above applies—
- (a) shall bear such rate of dividend or interest; and
 - (b) shall be redeemable at such time, in such manner and subject otherwise to such terms and conditions,
- as the company may have determined before issuing the stock.
- (2) The terms and conditions of redemption upon which any redeemable stock is issued by a company to which section 2 above applies shall be stated—
- (a) in any offer by the company of any of the stock for sale; and
 - (b) in every certificate of the stock;
- and a term or condition which is not so stated shall not be binding upon the holder of the stock.
- (3) Redeemable stock may be redeemed either—
- (a) by paying off the stocks; or
 - (b) by issuing, to an assenting holder of the stock, other stock in substitution for the redeemable stock;
- and for the purpose of raising money to pay off, or of providing stock in substitution for, any redeemable stock, a company to which section 2 above applies may (subject to subsections (4) and (5) of that section) create new stock or issue redeemed stock, in either case, so as to be redeemable or irredeemable, as the company thinks fit.
- (4) A company to which section 2 above applies shall not redeem any redeemable stock out of revenue; but any discount allowed on the issue of redeemable stock, or any premium payable on redemption, may be written off out of revenue.
- (5) The redemption, by a company to which section 2 above applies, of any preference stock issued so as to be redeemable shall not affect the validity of any mortgage or of any debenture stock if the grant or issue of the mortgage or debenture stock by the company was lawful in the circumstances existing at the date of the grant or issue.

Status:

Point in time view as at 01/12/1991.

Changes to legislation:

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