



Statutory Water Companies Act 1991

1991 CHAPTER 58

PART I

POWERS OF STATUTORY WATER COMPANIES

Relaxation of restrictions affecting raising of capital

4 Relaxation of limits on capital, borrowing and dividends

- (1) Subject to the following provisions of this section and to section 5 below, so much of any provision contained in any local statutory provision, or having effect by virtue of anything done under any relevant provision, as—
 - (a) imposes any limit to which this section applies in relation to any statutory water company; or
 - (b) otherwise relates to any such limit,shall have effect subject to such modifications as may be approved by special resolution of the company.
- (2) This section applies, in relation to a statutory water company, to the following limits (whether they are expressed by reference to a specified sum or percentage or by reference to the respective proportions of, or of different descriptions of, capital raised and sums borrowed or to any other matter), that is to say—
 - (a) a limit on the amount of capital, or of capital of a particular description, that may be raised by the company;
 - (b) a limit on the amount that may be borrowed, or borrowed in a particular way or in particular circumstances, by the company; and
 - (c) a limit on the dividends payable on shares or stock in the company, or on shares or stock of a particular description.
- (3) Where there is a division of the shares or stock of a statutory water company into different classes, no modification of a limit falling within subsection (2)(c) above shall have effect by virtue of this section unless a consent to or approval of the modification

Status: This is the original version (as it was originally enacted).

has been given under subsection (4) below in respect of each class the rights attached to which are varied in consequence of the modification.

- (4) A consent or approval is given for the purposes of subsection (3) above in respect of a class of shares or stock if—
- (a) consent in writing to the modification has been given by not less than three-quarters, in nominal value, of the members of the company holding shares or stock of that class; or
 - (b) a resolution approving the modification is passed by not less than three-quarters, in nominal value, of the members of the company holding shares or stock of that class who are present (whether in person or by proxy) at a meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution, has been duly given.
- (5) For the purpose of determining whether the requirements of subsection (3) above are satisfied in relation to any two or more classes of shares or stock in a statutory water company, it shall be immaterial that consents and approvals have been given in respect of different classes in accordance with different paragraphs of subsection (4) above.
- (6) Provision having effect by virtue of a resolution passed in accordance with this section may be modified by a subsequent such resolution.
- (7) The modifications that may be made by virtue of this section do not include, in the case of a limit falling within subsection (2)(a) above, any modification having the effect of reducing the authorised share capital, or the authorised capital stock, of the statutory water company in question.
- (8) In this section—

“relevant provision” means section 3(1) above, section 41(5) of the Water Act 1945, the provisions of the Statutory Companies (Redeemable Stock) Act 1915 or any local statutory provision;

“special resolution”, in relation to a statutory water company, means a resolution passed by a majority of not less than three-quarters of such of the members of the company as (being entitled to do so) vote (whether in person or by proxy) at a meeting of the company of which not less than twenty-one days' notice, specifying the intention to propose the resolution, has been duly given;

and in computing any majority for the purposes of the definition of “special resolution” the regulations contained in any local statutory provision as to the number of votes to which each member is entitled shall apply.