

1989 No. 1461

WATER, ENGLAND AND WALES

**The Companies Act 1985 (Modifications for Statutory
Water Companies) Regulations 1989**

<i>Made</i> - - - -	<i>8th August 1989</i>
<i>Laid before Parliament</i>	<i>11th August 1989</i>
<i>Coming into force</i>	<i>1st September 1989</i>

The Secretary of State for the Environment and the Secretary of State for Wales, acting jointly in exercise of the powers conferred on them by section 185(2)(d) of, and paragraph 71(2) of Schedule 25 to, the Water Act 1989(a), and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Companies Act 1985 (Modifications for Statutory Water Companies) Regulations 1989 and shall come into force on 1st September 1989.

Modifications of Part XIII of the Companies Act 1985

2. Where a statutory water company applies to the court under section 425(1) of the Companies Act 1985(b) ("the 1985 Act") with a view to securing an order of the court in respect of a compromise or arrangement in anticipation of provision contained in a memorandum and articles having effect as mentioned in section 101(2)(b) of the Water Act 1989, Part XIII of the 1985 Act shall apply -

- (a) with the insertion after the words "no effect until" in section 425(3) of the words "the memorandum and articles come into force by virtue of an order made by the Secretary of State under section 101(2)(c) of the Water Act 1989 and"; and
- (b) as if sections 427 to 430 were omitted.

Signed by authority of the Secretary of State

8th August 1989

Colin Moynihan
Parliamentary Under Secretary of State,
Department of the Environment

Signed by authority of the Secretary of State

8th August 1989

Ian Grist
Parliamentary Under Secretary of State, Welsh Office

(a) 1989 c.15; see section 189(1) as to the meaning of "prescribed" and section 189(9) as to the joint exercise of functions exercisable concurrently. (b) 1985 c.6; see paragraph 71(1) of Schedule 25 to the Water Act 1989 as to the construction of section 425(6)(a) of the 1985 Act.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Paragraph 71(2) of Schedule 25 to the Water Act 1989 provides that Part XIII of the Companies Act 1985 (arrangements and reconstructions) shall have effect in relation to statutory water companies that are not limited companies with prescribed modifications. These Regulations specify the modifications which have the effect of applying only sections 425 and 426 of Part XIII.

The modifications apply where a statutory water company applies to the court under section 425 with a view to securing an order in respect of a compromise or arrangement with its creditors or members in anticipation of a change in the provisions for its constitution and regulation. The modification to section 425(3) has the effect of postponing the effect of the court's order under section 425(2) sanctioning the compromise or arrangement until the new memorandum and articles come into force by virtue of an order made by the Secretary of State under section 101(2)(c) of the Water Act 1989 and a copy of the court's order has been delivered to the registrar of companies.

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ISBN 0 11 097461 1