

**WATER SERVICES REGULATION AUTHORITY**

**NOTICE OF REVOCATION OF THE WATER SUPPLY AND  
SEWERAGE LICENCES OF AQUAFLOW UTILITIES LIMITED**

**This Notice of Revocation is served on Aquaflow Utilities Limited by the Water Services Regulation Authority, revoking Water Supply Licence number 061/2018/WL and Sewerage Licence number 060/2018/SL, with effect at 3pm on 28 March 2019.**

**Whereas:**

On 4 January 2018, the Water Services Regulation Authority (“**Ofwat**”) granted a water supply licence with a retail authorisation and a restricted retail authorisation to Aquaflow Utilities Limited (“**Aquaflow**”) (Water Supply Licence number 061/2018/WL) under section 17A of the Water Industry Act 1991 (“**WIA91**”);

On 4 January 2018, Ofwat granted Aquaflow a sewerage licence with a retail authorisation (Sewerage Licence number 060/2018/SL) under section 17BA WIA91 (together “**the Licences**”);

The Licences are subject to the Standard Licence Conditions issued by the Secretary of State under sections 17H and 17HA WIA91;

On 18 March 2019, Aquaflow contacted Ofwat and stated that its Shareholder will be unable to provide it with funding for the next financial year (2019-20). Aquaflow provided Ofwat with information which indicated it had not yet paid invoices from wholesalers that were due for April 2019 and which should have been paid by 18 March 2019;

On 25 March 2019, Aquaflow told Ofwat that it is no longer carrying out its customer-facing functions and provided documentary evidence that it can no longer pay its debts. These included minutes of a meeting held with its Board, Notice of a General Meeting of Shareholders and Notice of a Decision to be made by deemed consent procedure;

Ofwat considers that Aquaflow is or is likely to be unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (definition of inability to pay debts);

The above circumstances are grounds under Standard Licence Condition 10(2)(I) for Ofwat to revoke Aquaflow’s licences;

On 17 March 2017, the Secretary of State issued a general authorisation to Ofwat to revoke water supply and sewerage licences. The general authorisation came into effect on 1 April 2017; and

Standard Licence Condition 11 provides that in issuing a notice of revocation, Ofwat must set out the matters it relies on to justify the revocation and the date the revocation will take effect. It also provides that the revocation may not come into effect until 30 days after the notice is issued, except in certain circumstances, including where the licence is being revoked because the licensee is unable to pay its debts. In such circumstances, the licence may be revoked on 24 hours' notice.

**Now therefore:**

**Ofwat hereby revokes Aquaflow's water supply licence and its sewerage licence, relying on Standard Licence Condition 10(2)(l) on the basis that the licensee is or is likely to be unable to pay its debts. This is on the basis that on 25 March 2019, we received evidence from Aquaflow that it has been unable to pay its debts since 19 March 2019. The revocation of the licences will come into effect at 3pm on 28 March 2019, which is deemed to be 24 hours after the giving of this notice.**

**Date: 26 March 2019**



**Emma Kelso  
Senior Director, Customers and Casework  
Water Services Regulation Authority**