

23 November 2022

Albion Water: Conclusions on Change of Control

About this document

On 3 August 2022 we published a [consultation on Change of ownership for Albion Water Limited](#) ('the consultation') which resulted from our consideration of a change in the ownership and control of Albion Water Limited ('Albion Water').

The consultation closed on 14 September 2022. It set out:

- Our understanding of how the ownership structure of Albion Water has changed;
- Our assessment of the new owner as an Ultimate Controller as well as their capacity to be an owner of a regulated water company;
- Our understanding of how the board of directors of Albion Water has changed following the change of control;
- Our considerations in identifying the new Ultimate Controllers of Albion Water.

In this document, 'Albion Water: Conclusions on Change of Control', we set out our conclusions following the consultation.

Contents

1. Background to the consultation	2
2. Summary of responses and conclusion	3

1. Background to the consultation

In December 2021, Albion Water Holdings Limited ('AWHL') entered into an agreement with Wessex Water Limited to acquire 100% of the shares of its NAV (which stands for 'new appointment or variation') water business which it operated as Albion Water. The transaction completed in mid-March 2022. The shares of AWHL are 100% owned by Patrick Cullen.

AWHL was incorporated on 11 January 2022. It is a newly established company that was formed to hold the shares of Albion Water. The shares of AWHL are 100% owned by Patrick Cullen, who is also the sole director and shareholder of SDS Holdings Limited ('SDS Holdings'), the holding company of Sustainable Drainage Systems Limited ('SDS').

Established in May 2002, SDS has a comprehensive range of services including designing, manufacturing and installing water management systems which capture and treat water before controlling its return to the natural water cycle or retaining it for reuse or recycling.

The new owner of AWHL considers the two businesses will be complementary due to the synergies between their activities. SDS has over 20 years' experience of manufacturing, procurement and installation services within the water infrastructure industry. SDS specialises in the design of water management solutions, specifically system control. Their experience includes integrated water management systems such as stormwater treatment, rainwater conservation, surface water attenuation and wastewater management. The new owner of Albion Water aims to utilise SDS's knowledge and expertise in these areas to develop the Albion Water business.

On 3 August 2022 we published [the consultation](#), which set out our views following the change in the ownership and control of Albion Water. In particular, we set out that our change of control assessment did not find any issues or concerns associated with the new investors in Albion Water and that we therefore do not see a need to introduce additional protections in the licence as a result of the change in ownership. We also set out that under the current group structure, AWHL owns 100% of the shares in Albion Water, and as such, has a clear controlling interest in the regulated company. Having also assessed the corporate structure using Companies House data, we determined that the Ultimate Controller is AWHL, and that no further undertakings need to be provided to Albion Water by additional entities.

2. Summary of responses and conclusion

The consultation set out the following questions:

Consultation questions

1. Do you have any views on our commentary about the incoming owners?
2. Do you agree that it is not necessary to place any additional requirements in the licence of Albion Water in respect of the change of control?
3. What are your views on our identification of the Ultimate Controller?
4. What are your views on our approach to financial security and the associated expectations?

We did not receive any responses to the consultation and no issues or concerns were raised. As such, our views set out in the consultation document, including our identification of the Ultimate Controller and that it is not necessary to place any additional requirements in Albion Water's licence in respect of the change of control, remain unchanged.

No further steps need to be taken in relation to the change of ownership at Albion Water following the consultation.

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA
Phone: 0121 644 7500

© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This document is also available from our website at www.ofwat.gov.uk.

Any enquiries regarding this publication should be sent to mailbox@ofwat.gov.uk.

OGL