



# Post Office Act 1969

## 1969 CHAPTER 48

### PART III

#### THE NEW AUTHORITY FOR THE CONDUCT OF POSTAL AND TELEGRAPHIC BUSINESS

##### *Finance*

#### **31 General duty of the Post Office as to finance**

- (1) As from the appointed day, it shall be the duty of the Post Office so to exercise its powers as to secure that its revenues are not less than sufficient to meet all charges properly chargeable to revenue account, taking one year with another.
- (2) The Post Office shall charge to revenue in every year all charges that are proper to be made to revenue, including, in particular, proper provision for the depreciation of assets and proper allocations to general reserve; and the reference in the foregoing subsection to charges properly chargeable to revenue account shall be construed accordingly.

#### **32 General reserve**

- (1) Without prejudice to its power to establish specific reserves, the Post Office shall establish and maintain a general reserve.
- (2) The management by the Post Office of its general reserve, the sums to be carried from time to time to the credit thereof, and the application of the moneys comprised therein shall (subject to the following provisions of this section) be as the Post Office may determine.
- (3) None of the moneys comprised in the Post Office's general reserve shall be applied otherwise than for the purposes of the Post Office.
- (4) The Minister may, with the approval of the Treasury, give to the Post Office directions as to any matter relating to the establishment or management of the Post Office's

general reserve or the carrying of sums to the credit thereof or the application of the moneys comprised therein, and the Post Office shall comply with the directions.

### **33 The Post Office's commencing capital debt**

- (1) The Post Office shall, on the appointed day, assume a debt due to the Minister whereof the amount shall (subject to the effect of any direction given under section 17 of this Act) be the excess of the aggregate of the following amounts:—
- (a) so much of advances made under section 9 of the Post Office Act 1961 by the Treasury to the Postmaster General as remains outstanding immediately before that day; and
  - (b) so much of the amount referred to in section 13(2) of that Act as remains outstanding immediately before that day;
- over the aggregate of—
- (i) the net book value of all chattels and corporeal moveables which, immediately before the appointed day, are used, or appropriated for use, by the Postmaster General, being chattels and corporeal moveables that do not, by virtue of section 16 of this Act, vest in the Post Office and in the provision of which the Postmaster General has incurred expenditure treated by him as capital expenditure; and
  - (ii) the aggregate of the sums of which, under the following provisions of this Act, the Post Office is entitled to credit for the purposes of this section.
- (2) The rate of interest on the said debt and the date from which interest is to begin to accrue, the arrangements for paying off the principal of the said debt, and the other terms of the said debt shall be such as the Minister, with the approval of the Treasury, may from time to time determine; and different rates and dates may be determined under this subsection with respect to different portions of the said debt.
- (3) Any sums received by the Minister by way of interest on, or repayment of, the said debt shall be paid into the National Loans Fund.
- (4) In this section "net book value" means, in relation to chattels and corporeal moveables, the value thereof (after deducting depreciation) as shown in the books by reference to which the final statement of accounts under section 12 of the Post Office Act 1961 is prepared.

### **34 The Post Office to be liable in respect of loans and guarantees under section 8 of the Post Office Act 1961**

- (1) As regards so much of any sum lent under section 8(1) of the Post Office Act 1961 by the Bank of England to the Postmaster General as is outstanding immediately before the appointed day, the liability to repay it, and to pay interest thereon, shall on that day be transferred to the Post Office.
- (2) If, on or after the appointed day, any sums are issued out of the Consolidated Fund in fulfilment of a guarantee given under the said section 8, the Post Office shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments, of such amounts as they may so direct, in or towards repayment of the sums and payments of interest on what is outstanding for the time being in respect of the sums at such rate as they may direct.

- (3) The last foregoing subsection shall, as from the appointed day, have effect in relation to sums issued as aforesaid before that day that have not been repaid before that day as it has effect in relation to sums so issued on or after that day.

### **35 The Post Office's borrowing powers**

- (1) The Post Office may borrow temporarily, by way of overdraft or otherwise, either from the Minister or, with the consent of the Minister and the approval of the Treasury, from any other person, such sums in sterling as it may require for meeting its obligations and performing its functions.
- (2) The Post Office may borrow from the Minister (otherwise than by way of temporary loan) such sums in sterling as it may require for all or any of the following purposes, namely.—
- (a) provision of money for meeting any expenses incurred by it in connection with any works the cost of which is properly chargeable to capital account;
  - (b) provision of working capital required by it;
  - (c) subscription for, or acquisition of, securities of an incorporated company or other body corporate, promotion of the formation of an incorporated company or participation in the promotion of such a company or acquisition of an undertaking or part of an undertaking ;
  - (d) payment off of any part of the debt assumed by it under section 33 of this Act, repayment of any money borrowed by the Postmaster General the liability to repay which is transferred to it by the last foregoing section, payment of a sum in or towards repayment of a sum issued out of the Consolidated Fund in fulfilment of a guarantee given under section 8 of the Post Office Act 1961 and repayment of money borrowed by it;
  - (e) any other purpose for which capital moneys are properly applicable.
- (3) The Post Office, with the consent of the Minister, may, from such person and on such terms as he may, with the approval of the Treasury specify, borrow, in a currency other than sterling, any sum which it has power to borrow in sterling from the Minister.
- (4) References in this section to borrowing by the Post Office do not include—
- (a) borrowing by it from a body corporate which is its subsidiary;
  - (b) receiving money in its capacity as the provider of any services or using money received in that capacity.
- (5) Nothing in this section shall be taken as exempting the Post Office from the provisions of any order under section 1 of the Borrowing (Control and Guarantees) Act 1946 or section 2 of the Loans Guarantee and Borrowing Regulation Act (Northern Ireland) 1946 or from the provisions of the Exchange Control Act 1947.
- (6) This section shall come into operation on the appointed day.

### **36 Limitation of indebtedness**

- (1) The Post Office shall not have power to borrow money except in accordance with the last foregoing section.
- (2) The aggregate of—

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

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- (a) the amount outstanding in respect of the principal of any money borrowed under the last foregoing section by the Post Office ; and
- (b) so much as is outstanding of the debt assumed by it by virtue of section 33 of this Act;

shall not at any time exceed £2,300 million or such greater sum, not exceeding £2,800 million, as the Minister may from time to time by order specify.

- (3) An order under the last foregoing subsection shall be made by statutory instrument, and no such order shall be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament.
- (4) Subsection (4) of the last foregoing section shall apply for the purposes of this section as it applies for the purposes of that.

### **37 Loans by the Minister to the Post Office**

- (1) The Minister may, with the approval of the Treasury, lend to the Post Office any sums which it has power to borrow under section 35(1) or (2) of this Act.
- (2) Any loans which the Minister makes under this section shall be repaid to him at such times and by such methods, and interest thereon shall be paid to him at such rates and at such times, as he may, with the approval of the Treasury, from time to time direct.
- (3) The Treasury may issue out of the National Loans Fund to the Minister such sums as are necessary to enable him to make loans under this section.
- (4) Any sums received under subsection (2) above by the Minister shall be paid into the National Loans Fund.

### **38 Treasury guarantees**

- (1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, and the payment of interest on, any sums which the Post Office borrows from a person other than the Minister.
- (2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this section, the Post Office shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments, of such amounts as the Treasury may so direct, in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Treasury may so direct.
- (5) Any sums received under the last foregoing subsection by the Treasury shall be paid into the Consolidated Fund.

### **39 Accounts of the Minister with reference to Post Office indebtedness to him**

The Minister shall, as respects each financial year, prepare in such form and manner as the Treasury may direct, an account of sums received by him as mentioned in section 33(3) of this Act, of sums received by him under subsection (2) of section 37 of this Act and of sums issued to him under subsection (3) of that section and of the disposal by him of those sums respectively, and send it to the Comptroller and Auditor General not later than the end of November following the year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.