
Changes to legislation: There are currently no known outstanding effects for the Oil and Pipelines Act 1985, SCHEDULE 3. (See end of Document for details)

SCHEDULES

SCHEDULE 3

Section 5.

FINANCIAL AND OTHER PROVISIONS

Borrowing and investment powers etc.

- 1 (1) Subject to the following provisions of this paragraph and to paragraph 2 below, the Agency may borrow temporarily, by way of overdraft or otherwise—
- (a) in sterling from the Secretary of State; or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,
- such sums as may be required for meeting the obligations and exercising and performing the functions of the Agency or any of its wholly owned subsidiaries.
- (2) The Agency shall not—
- (a) borrow money otherwise than in accordance with sub-paragraph (1) above; or
 - (b) except with the consent of the Secretary of State and the approval of the Treasury—
 - (i) lend money, charge any of its actual or future assets or give any surety or guarantee for the performance by another person of any obligation; or
 - (ii) promote or participate in the promotion of, or acquire or relinquish membership of or any interest in or securities issued by, a body corporate.
- (3) The Agency shall secure that none of its wholly owned subsidiaries—
- (a) borrows money otherwise than temporarily; or
 - (b) does anything without the permission of the Agency which, if done by the Agency, would under this paragraph require the consent of the Secretary of State and the approval of the Treasury.
- (4) The consent of the Secretary of State and the approval of the Treasury shall be required for the giving of any permission for the purposes of sub-paragraph (3) above.
- (5) The Secretary of State, in giving a consent for the purposes of this paragraph, may impose such conditions as he thinks fit.
- 2 (1) The aggregate of the amounts outstanding, otherwise than by way of interest, in respect of—
- (a) sums borrowed by the Agency or any of its wholly owned subsidiaries from outside persons;
 - (b) sums for the repayment of which by outside persons the Agency or any of its wholly owned subsidiaries has given any surety or guarantee; and

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- (c) sums issued by the Treasury in fulfilment of guarantees given by them under paragraph 4 below,
shall not at any time exceed £20 million or such greater amount, not exceeding £80 million, as the Secretary of State may by order specify.
- (2) In this paragraph “outside person” means a person other than the Agency or any of its wholly owned subsidiaries.
- (3) An order under this paragraph 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 House of Commons.

Loans by Secretary of State

- 3 (1) The Secretary of State may, with the approval of the Treasury, lend to the Agency any sums which it has power to borrow under paragraph 1 above.
- (2) Any loans which the Secretary of State makes under this paragraph 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 Secretary of State such sums as are required by him for making loans under this paragraph.
- (4) Any sums received under sub-paragraph (2) above by the Secretary of State shall be paid into the National Loans Fund.
- (5) It shall be the duty of the Secretary of State as respects each financial year—
- (a) to prepare, in such form as the Treasury may direct, an account of sums issued to him in pursuance of sub-paragraph (3) above or required to be paid into the National Loans Fund in pursuance of sub-paragraph (4) above and of the disposal of those sums by him; and
- (b) to send the account to the Comptroller and Auditor General not later than the end of the month of August next following that year;
- and the Comptroller and Auditor General shall examine, certify and report on the account and shall lay copies of it and of his report on it before each House of Parliament.

Treasury guarantees

- 4 (1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, the payment of interest on, and the discharge of any other financial obligation in connection with, any sums which the Agency borrows from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this paragraph, the Treasury shall lay a statement of the guarantee before each House of Parliament; and immediately after any sum is issued for fulfilling a guarantee so given, the Treasury shall so lay a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this paragraph shall be charged on and issued out of the Consolidated Fund.

Changes to legislation: There are currently no known outstanding effects for the Oil and Pipelines Act 1985, SCHEDULE 3. (See end of Document for details)

- (4) If any sums are issued in fulfilment of a guarantee given under this paragraph, the Agency shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct—
- (a) payments of such amounts as the Treasury may so direct in or towards repayment of the sums so issued; and
 - (b) 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 sub-paragraph (4) above by the Treasury shall be paid into the Consolidated Fund.

Grants by Secretary of State

- 5 (1) The Secretary of State may, with the approval of the Treasury, make to the Agency grants of such amounts and for such purposes as he thinks fit.
- (2) Grants under this paragraph may be made subject to such conditions as the Secretary of State with the approval of the Treasury may determine.
- (3) There shall be paid out of money provided by Parliament any sums required by the Secretary of State for making grants under this paragraph.

Payments to Secretary of State

- 6 (1)) The Secretary of State may, with the approval of the Treasury, direct the Agency to pay, or cause to be paid, to the Secretary of State the whole or part of any sum which is or, in the opinion of the Secretary of State, ought to be standing to the credit of a reserve of the Agency or of any of its wholly owned subsidiaries.
- (2) Any sums received by the Secretary of State under this paragraph shall be paid into the Consolidated Fund.

Provision of information for Secretary of State

- 7 (1) It shall be the duty of the Agency to provide the Secretary of State with such information as he may from time to time require with respect to the property, activities or proposed activities of the Agency or any of its subsidiaries.
- (2) A requirement under sub-paragraph (1) above shall not impose on the Agency the duty of providing the Secretary of State with information which the Agency does not possess and cannot reasonably be expected to obtain.

Annual reports

- 8 (1)) It shall be the duty of the Agency to make to the Secretary of State, as soon as possible after the end of each accounting year, a report on the exercise and performance of its functions during that year.
- (2) The report for any accounting year shall include—
- (a) such information as the Secretary of State may specify with respect to the activities of the agency; and
 - (b) particulars of any directions or notices under section 5(1) of this Act which the Secretary of State has given during that year, except any particulars as to

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which he has given notice to the Agency that in his opinion the publication of them would be contrary to the national interest or to the commercial interests of the Agency or some other person.

- (3) The Secretary of State shall lay before each House of Parliament a copy of each report made to him in pursuance of this paragraph.

Accounts and audit

- 9 (1) It shall be the duty of the Agency—
- (a) to keep proper accounts and proper records in relation thereto; and
 - (b) to prepare in respect of each accounting year a statement of accounts giving a true and fair view of the state of affairs and, subject to sub-paragraph (2) below, the profit or loss of the Agency.

- (2) It shall be the duty of the Agency to prepare, in respect of each accounting year in which it has [^{F1}subsidiary undertakings], a statement of consolidated accounts dealing with, and giving a true and fair view of, the state of affairs and the profit or loss of—

- (a) the Agency and all of its [^{F1}subsidiary undertakings]; or
- (b) the Agency and such of its [^{F1}subsidiary undertakings] as the Agency may determine and the Secretary of State and the Treasury may for the time being approve;

and where the Agency prepares such a statement of consolidated accounts in respect of any accounting year, the Secretary of State may with the approval of the Treasury direct that the statement of accounts prepared by the Agency under sub-paragraph (1) above in respect of that year shall not be required to show the Agency's profit or loss.

[^{F2}In this sub-paragraph “subsidiary undertaking” has the same meaning as in [^{F3}the Companies Acts (see section 1162 of, and Schedule 7 to, the Companies Act 2006)].

- (3) Without prejudice to the requirements of sub-paragraphs (1) and (2) above, every statement of accounts prepared by the Agency in accordance with this paragraph shall comply with any requirement which the Secretary of State has with the approval of the Treasury notified in writing to the Agency relating to—
- (a) the information to be contained in the statement;
 - (b) the manner in which that information is to be presented; and
 - (c) the methods and principles according to which the statement is to be prepared.

- (4) The accounts kept, and all statements prepared, by the Agency under this paragraph [^{F4}in respect of accounting years ending on or before 31st March 2002] shall be audited by auditors appointed for each [^{F5}such] accounting year by the Secretary of State after consultation with the Agency.

^{F6}[(5) a person shall not be appointed under sub-paragraph (4) above unless he is eligible for appointment as a [^{F7}statutory auditor under Part 42 of the Companies Act 2006].]

- (6) As soon as the accounts kept, and the statements prepared, by the Agency under this paragraph [^{F8}in respect of accounting years ending on or before 31st March 2002] have been audited, the Agency shall send to the Secretary of State a copy of the statements together with a copy of any report made by the auditors on the statements or on the accounts of the Agency; and the Secretary of State shall lay a copy of every

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statement and report of which a copy is received by him in pursuance of this sub-paragraph before each House of Parliament.

- [^{F9}(7) The Agency shall send the accounts kept in respect of each accounting year ending on or after 31st March 2003 and the statement of accounts prepared by it under this paragraph in respect of each such accounting year to the Comptroller and Auditor General as soon as reasonably practicable after the end of the accounting year to which the accounts relate.]

Textual Amendments

- F1** Words substituted by [Companies Act 1989 \(c. 40, SIF 27\)](#) , s. 23 , **Sch. 10 para. 33** (subject to savings and transitional provisions in [S.I. 1990/1392](#) , **art. 6**)
- F2** Words added by [Companies Act 1989 \(c. 40, SIF 27\)](#) , s. 23 , **Sch. 10 para. 33** (subject to savings and transitional provisions in [S.I. 1990/1392](#) , **art. 6**)
- F3** Words in [Sch. 3 para. 9\(2\)](#) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#) , art. 2(2)**Sch. 1 para. 96** (with arts. 61112)
- F4** Words in [Sch. 3 para. 9\(4\)](#) inserted (23.5.2003) by [Government Resources and Accounts Act 2000 \(Audit of Public Bodies\) Order 2003 \(S.I. 2003/1326\)](#) , art. **115(2)(a)**
- F5** Word in [Sch. 3 para. 9\(4\)](#) inserted (23.5.2003) by [Government Resources and Accounts Act 2000 \(Audit of Public Bodies\) Order 2003 \(S.I. 2003/1326\)](#) , art. **115(2)(b)**
- F6** [Sch. 3 para. 9\(5\)](#) substituted (1.10.1991) by [S.I. 1991/1997](#) , **reg. 2** ,[Sch.](#) (with reg. 4)
- F7** Words in [Sch. 3 para. 9\(5\)](#) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#) , art. 2(2)**Sch. 1 para. 1(gg)** (with arts. 61112)
- F8** Words in [Sch. 3 para. 9\(6\)](#) inserted (23.5.2003) by [Government Resources and Accounts Act 2000 \(Audit of Public Bodies\) Order 2003 \(S.I. 2003/1326\)](#) , art. **115(3)**
- F9** [Sch. 3 para. 9\(7\)](#) inserted (23.5.2003) by [Government Resources and Accounts Act 2000 \(Audit of Public Bodies\) Order 2003 \(S.I. 2003/1326\)](#) , art. **115(4)**

Meaning of “accounting year”

- 10 (1) In this Schedule “accounting year” means, subject to sub-paragraph (2) below, the period beginning with the day on which section 1 of this Act comes into force and ending with 31st December 1986 and every subsequent period of twelve months beginning immediately after the end of the previous accounting year.
- (2) If the Secretary of State so directs in relation to an accounting year, that accounting year shall end on such date as may be specified in the direction (whether before or after the date on which it would otherwise end).

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