
STATUTORY INSTRUMENTS

2001 No. 1246

GOVERNMENT TRADING FUNDS

The Defence Science and Technology
Laboratory Trading Fund Order 2001

Made - - - - 26th March 2001

Coming into force - - 1st July 2001

Whereas:

(1) the Defence Research Agency Trading Fund Order 1993(1) (“the 1993 Order”) established a trading fund to be known as the Defence Research Agency Trading Fund under the Government Trading Funds Act 1973(2) (“the 1973 Act”);

(2) the 1993 Order was varied by the Defence Evaluation and Research Agency Trading Fund Order 1995(3) (“the 1995 Order”) as amended by the Defence Evaluation and Research Agency Trading Fund (Amendment) Order 1996(4) (“the 1996 Order”) and the trading fund as varied and amended is known as the Defence Evaluation and Research Agency Trading Fund (“the Fund”);

(3) it appears to the Secretary of State for Defence (“the Secretary of State”) that—

(a) those operations of the Defence Evaluation and Research Agency (“DERA”) referred to in Article 3 to this Order (“the continuing operations”) should continue to be funded by means of the Fund;

(b) those operations of DERA referred to in Article 4 to this Order should cease to be so funded;

(4) the continuing operations are to be known from the date of commencement of this Order as the Defence Science and Technology Laboratory;

(5) the Secretary of State has, in accordance with section 4A of the 1973 Act, and with the concurrence of the Treasury, determined that—

(a) those assets and liabilities set out in Schedule 1 to this Order shall continue to be attributable to the continuing operations and shall continue to be part of the Fund; and

(b) those assets and liabilities set out in Schedule 2 to this Order shall cease to be attributable to the continuing operations and shall cease to be part of the Fund;

(1) S.I. 1993/380.

(2) 1973 c. 63 as amended by the Government Trading Act 1990 (c. 30). The 1973 Act, as so amended, is set out in Schedule 1 to the 1990 Act. The 1973 Act was further amended by section 119 of the Finance Act 1991 (c. 31), and Schedule 22 to the Finance Act 1993 (c. 34).

(3) S.I. 1995/650.

(4) S.I. 1996/1447.

(6) in accordance with section 6(2) of the 1973 Act, a draft of this Order varying the funded operations has been laid before the House of Commons and has been approved by a resolution of that House.

Now therefore the Secretary of State in exercise of the powers conferred upon him by section 4A of the 1973 Act, and of all other powers enabling him in that behalf, with the concurrence of the Treasury, hereby makes the following order—

Citation and commencement

1. This Order may be cited as The Defence Science and Technology Laboratory Trading Fund Order 2001 and shall come into force on 1st July 2001.

Variation of Existing Orders

2. The 1993, 1995 and 1996 Orders shall be varied in accordance with the following Articles.

Continuing operations

3. The following operations shall from 1st July 2001 continue to be funded operations—
the Security Division, which comprises—
the Centre for Defence Analysis
the Chemical and Biological Defence Sector
the Chemical and Electronic Systems Sector
the Defence Research Information Centre
the Defence Radiological Protection Service
the Integrated Systems Sector.

Operations ceasing to be funded

4. All other operations not included in Article 3 of this Order shall from 1st July 2001 cease to be funded operations. Those operations are—
the Business Services Division
the Defence Programmes Division
the Defence Diversification Agency
the Future Systems Technology Division
the Knowledge and Information Systems Division
the Sensors and Electronic Division
the Through Life Support Division.

Assets and liabilities of the fund

5. The Crown assets and liabilities set out in Schedule 1 to this Order shall remain as assets and liabilities of the Fund.

Public dividend capital

6. 50 per cent of the amount by which the aggregate of the values of the assets set out in Schedule 1 to this Order exceed the aggregate of the amounts of the liabilities so set out, shall be treated as public dividend capital of the Fund.

Limitation of indebtedness

7. The maximum amount that may be issued to the Fund by way of loan shall be £100,000,000.

Assets and Liabilities removed from the fund

8. The Crown assets and liabilities set out in Schedule 2 to this Order shall cease to be assets and liabilities of the Fund.

Amended Name of the Fund

9. The Fund, as amended by the terms of this Order, shall be known as the Defence Science and Technology Laboratory Trading Fund.

27th March 2001

Geoffrey Hoon
Secretary of State for Defence

We concur

28th March 2001

Greg Pope
Jim Dowd
Two of the Lords Commissioners of Her
Majesty's Treasury

SCHEDULE 1

Article 5

ASSETS AND LIABILITIES OF THE CONTINUING OPERATIONS

ASSETS

Freehold and other interests in land and buildings as at 1st July 2001, used or allocated for use in the continuing operations.

Plant, facilities, machinery, fixtures, fittings, equipment and computer hardware and software, as at that date, used or allocated for use in the continuing operations.

Intangible assets arising from the continuing operations as carried on up to that date.

Net current assets as at that date relating to the use or allocation for use in, or arising from, the continuing operations.

LIABILITIES

Long term liabilities and provisions as at 1st July 2001 in relation to the continuing operations.

SCHEDULE 2

Article 8

ASSETS AND LIABILITIES OF THE OPERATIONS CEASING TO BE FUNDED

ASSETS

Freehold and other interests in land and buildings as at 1st July 2001, used or allocated for use in the operations ceasing to be funded.

Plant, facilities, machinery, fixtures, fittings, equipment and computer hardware and software, as at that date, used or allocated for use in the operations ceasing to be funded.

Intangible assets arising from the operations ceasing to be funded as carried on up to that date.

Net current assets as at that date relating to the use or allocation for use in, or arising from, the operations ceasing to be funded.

LIABILITIES

Long term liabilities and provisions as at 1st July 2001 in relation to the operations ceasing to be funded.

EXPLANATORY NOTE

(This note is not part of the Order)

This order removes certain operations from the Defence Evaluation and Research Agency Trading Fund in connection with the implementation of the Public Private Partnership plan for the Defence Evaluation and Research Agency. The operations that continue to be funded will be known as the Defence Science and Technology Laboratory.

The assets described in Schedule 2 to the Order (estimated at £394.5 million) and the liabilities described under that schedule (estimated at £10 million) will be removed from the Fund. 50% of the difference in value between the assets remaining in the Fund as described in Schedule 1 to the Order (estimated at £179.7 million) and the liabilities described under that schedule (estimated at £11.9 million) is to be treated as public dividend capital of the Fund. The maximum amount that may be issued to the Fund by way of loan is reduced from £400 million to £100 million.