



Scottish Crown Estate Act 2019

2019 asp 1

PART 3

MANAGEMENT OF SCOTTISH CROWN ESTATE ASSETS

Financial matters

28 Separation of income and capital

- (1) A manager must—
- keep any money held by the manager which forms part of the Scottish Crown Estate in an income account and a capital account,
 - apportion that money as appropriate between those accounts, and
 - keep those accounts separate from any other accounts kept by the manager.
- (2) In this Act, references to—
- an income account are references to an income account kept under subsection (1),
 - a capital account are references to a capital account kept under that subsection.

29 Transfer of sums between income and capital accounts

- (1) Subsections (2) to (5) apply to managers other than the Scottish Ministers.
- (2) A manager may, if the Scottish Ministers so direct under section 37(1), transfer a sum of money from the manager's income account to the manager's capital account.
- (3) The Scottish Ministers must specify in the direction—
- the maximum sum that may be so transferred, or
 - how that sum is to be calculated.
- (4) A manager may transfer any other sum of money (“the transferred sum”) from the manager's income account to the manager's capital account subject to the repayment rule.
- (5) The repayment rule is that—

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- (a) the manager must, in the same financial year as the transferred sum was transferred to the manager's capital account, transfer one or more sums of money ("repayment sums") from the manager's capital account to the manager's income account, and
 - (b) the total amount of the repayment sums must be equal to the amount of the transferred sum.
- (6) Where the Scottish Ministers are a manager, they may transfer such sums as they consider appropriate—
- (a) from their income account to their capital account,
 - (b) from their capital account to their income account.

30 Treatment of certain sums

- (1) The manager of a Scottish Crown Estate asset must carry any sum of money received by the manager by way of a premium on the grant of a lease of the asset—
- (a) to the manager's income account, if the lease is granted for a period of 20 years or less,
 - (b) to the manager's capital account, if the lease is granted for a period of over 20 years.
- (2) Subsections (3) and (4) apply in relation to—
- (a) any gross annual income received in relation to a Scottish Crown Estate asset by the manager of the asset from or in connection with a mining lease or the working of mines or minerals,
 - (b) any expenses incurred in relation to the asset by the manager in connection with such a lease or working.
- (3) The manager must carry that income, and charge those expenses, to the manager's income account and capital account in such proportions as the Scottish Ministers specify in a direction under section 37(1).
- (4) But where the Scottish Ministers are the manager, they must carry that income, and charge those expenses, to their income account and capital account in such proportions as they may determine.
- (5) Where the Scottish Ministers make a loan to a manager, the manager must make any repayments of the loan, and any payments of interest on the loan, from the account to which the manager carries the sum of money received under the loan.

31 Transfer of funds between managers

- (1) A manager may transfer a sum of money—
- (a) from the manager's income account to the income account of another manager,
 - (b) from the manager's capital account to the capital account of another manager.
- (2) A manager (other than the Scottish Ministers) may make a transfer under subsection (1) only if directed to do so by the Scottish Ministers in a direction under section 37(1).
- (3) The direction must specify—
- (a) the sum to be transferred, or

- (b) how that sum is to be calculated.

32 Grants and loans to managers

- (1) The Scottish Ministers may make grants and loans to a manager in connection with the exercise of the manager's functions.
- (2) The manager may not otherwise borrow money in connection with the manager's functions.
- (3) A grant or loan under subsection (1) is subject to such conditions (including conditions as to repayment) as the Scottish Ministers may determine.
- (4) The Scottish Ministers may, from time to time after the grant or loan is made, vary the conditions on which it was made.
- (5) This section does not apply where the manager is—
 - (a) Crown Estate Scotland (but see article 17 of the Crown Estate Scotland Order),
 - (b) the Scottish Ministers.

33 Grants for preparation for management changes

- (1) The Scottish Ministers may make such grants to such persons as the Scottish Ministers consider appropriate for the purpose of making preparations for—
 - (a) the transfer of the function of managing a Scottish Crown Estate asset in regulations under section 3,
 - (b) the delegation of such a function under section 5.
- (2) A manager may, with the consent of the Scottish Ministers, make such grants to such persons as the manager considers appropriate for the purpose mentioned in subsection (1).
- (3) A grant under subsection (1) or (2) is subject to such conditions (including conditions as to repayment) as the Scottish Ministers or (as the case may be) manager may determine.

34 Requirement to keep accounts and records

- (1) Crown Estate Scotland must—
 - (a) keep proper accounts and accounting records, and
 - (b) prepare in respect of each financial year a statement of accounts.
- (2) A manager of one or more Scottish Crown Estate assets (other than Crown Estate Scotland) must, in relation to those assets, and any money or investments held by the manager which form part of the Scottish Crown Estate—
 - (a) keep proper accounts and accounting records, and
 - (b) prepare in respect of each financial year a statement of accounts.
- (3) A statement of accounts prepared under subsection (1)(b) or (2)(b) (other than by the Scottish Ministers) must be in such form, contain such information and be prepared in accordance with such methods or principles as the Scottish Ministers may direct under section 37(1).

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- (4) A manager (other than the Scottish Ministers) must send a copy of its statement of accounts prepared under subsection (1)(b) or (2)(b) to the Scottish Ministers no later than 3 months after the end of the financial year to which the statement relates.
- (5) Accounts and records kept, and statements prepared, under subsection (2) must be kept or prepared separately from any other accounts and records kept, and statements prepared, by the manager.

35 Audit

- (1) The Scottish Ministers must prepare in respect of each financial year a consolidated statement of accounts comprising—
 - (a) the statement of accounts prepared by Crown Estate Scotland for the year under section 34(1)(b), and
 - (b) each statement of accounts prepared for the year under section 34(2)(b).
- (2) The Scottish Ministers must submit a copy of the consolidated statement of accounts to the Auditor General for Scotland for auditing.