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## SCHEDULES

### SCHEDULE 5

Section 25.

#### PROVISIONS RELATING TO CROWN AGENTS HOLDING AND REALISATION BOARD

##### *Absence of members from Board meetings*

- 1 The power of the Minister to declare vacant the office of a member of the Crown Agents by virtue of paragraph 6(1)(a) of Schedule 1 shall include power to declare vacant the office of such a member who, in his capacity as member of the Board, has been absent from meetings of the Board for a period longer than three consecutive months without the permission of the Board.

##### *Payment of allowances to members.*

- 2 The Board shall pay to each of their members such reasonable allowances in respect of expenses as the Minister may determine with the approval of the Minister for the Civil Service.

##### *Proceedings*

- 3 Paragraphs 10 to 12 of Schedule 1 shall apply to the Board as they apply to the Crown Agents.

##### *Performance of functions*

- 4 The Board may authorise any member of the Board or any employee of the Crown Agents to perform on behalf of the Board such of the Board's functions (including the power conferred on the Board by this paragraph) as are specified in the authorisation.

##### *Instruments and contracts*

- 5 The fixing of the common seal of the Board shall be authenticated by the signature of any person authorised by the Board to act for the purpose.
- 6 Paragraph 18 of Schedule 1 shall apply in relation to the Board as it applies in relation to the Crown Agents.

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*Vesting in Board or property, rights and liabilities*

- 7 (1) On the appointed day there shall by virtue of this Act vest in the Board the interest of Four Millbank Holdings Limited in shares issued by the following companies (in this paragraph referred to as “the Companies”), namely Four Millbank Investments Limited and Four Millbank Securities Limited.
- (2) In so far as the rights, liabilities and obligations referred to in section 2(1)(b) consist of rights, liabilities and obligations enjoyed by, or incumbent on, the Crown in connection with—
- (a) either of the Companies or any subsidiary of either of them; or
  - (b) any shares in either of the Companies; or
  - (c) any property which immediately before the appointed day is vested in either of the Companies or in any subsidiary of either of them,
- those rights, liabilities and obligations shall (subject to sub-paragraph (3)) on the appointed day vest in the Board by virtue of this Act, and not in the Crown Agents.
- (3) The rights, liabilities and obligations which vest in the Board by virtue of sub-paragraph (2) shall not include any right, liability or obligation under or arising out of a contract of employment.
- (4) In so far as any agreement or other document to which paragraph 2 or paragraph 3(1) of Schedule 2 applies relates to any property, right, liability or obligation vesting in the Board by virtue of sub-paragraph (1) or (2) of this paragraph, paragraph 2 of that Schedule shall, in its application to that agreement or document, have effect—
- (a) as if any reference to the Crown Agents were a reference to the Board; and
  - (b) as if in paragraph 2(c) the resulting reference to the officer of the Board who corresponds as nearly as may be to the officer of the former Agents were a reference to the officer of the Crown Agents acting for the Board who so corresponds.
- (5) Paragraphs 4, 5 and 6 of Schedule 2 shall have effect in relation to the Board as they have effect in relation to the Crown Agents, any reference to paragraph 2 or paragraph 3 of that Schedule being for this purpose read as a reference to that paragraph as modified by sub-paragraph (4) of this paragraph.
- (6) If it appears to the Minister that any liability which has vested in the Crown Agents under section 2 is one which should be borne by the Board rather than by the Crown Agents, he may instruct the Board to indemnify the Crown Agents against that liability and any expenses which have been or may be incurred by the Crown Agents in connection therewith.
- (7) In this paragraph “the Crown” means the Crown in right of Her Majesty’s Government in the United Kingdom.

*Ancillary powers*

- 8 (1) Subject to the provisions of this paragraph, the Board shall have power to do anywhere in the world anything which is calculated to facilitate the performance of their functions (other than those conferred on them by this sub-paragraph) or is incidental or conducive to the performance of any such function, including, without

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prejudice to the generality of the preceding provision, power to acquire, hold and dispose of interests in other bodies corporate and to form or take part in forming bodies corporate.

- (2) The Board, if so instructed by the Minister under paragraph 21, shall (notwithstanding sub-paragraph (3)(g)) have power—
- (a) to remit the whole or part of any liability towards the Board of any subsidiary of the Board; and
  - (b) to cause any such subsidiary to remit the whole or part of any liability towards itself of any other subsidiary of the Board.
- (3) Except with the consent of the Minister the Board shall not have power—
- (a) to acquire any interest in a body corporate;
  - (b) to form or take part in forming a body corporate;
  - (c) to enter into a partnership or any other form of joint venture with any person other than a subsidiary of the Board;
  - (d) to acquire land;
  - (e) to guarantee any obligation (however arising) incurred by any person other than a subsidiary of the Board;
  - (f) to lend money to any person other than a subsidiary of the Board;
  - (g) as regards any debt to or other financial liability towards the Board, to accept in satisfaction thereof less than the full amount thereof in money or money's worth.
- (4) The Board shall not have power—
- (a) to employ staff;
  - (b) to use any office accommodation, office equipment or other office facilities except under arrangements made under sub-paragraph (5); or
  - (c) except with the consent of the Minister, to engage the services of any person as consultant or adviser to the Board.
- (5) The Board may make arrangements with the Crown Agents for the use by the Board—
- (a) of the services of any person in the employment of, or who acts as consultant or adviser to, the Crown Agents; and
  - (b) of any office accommodation, office equipment or other office facilities for the time being occupied or used by the Crown Agents in the course of their business;
- and any such arrangements may provide for payment to be made by the Board to the Crown Agents in respect of any such use at such rates as may be agreed from time to time between the parties with the approval of the Minister.
- (6) Nothing in this paragraph shall preclude the Board from holding any property or right, meeting any liability or fulfilling any obligation which under paragraph 7 vests in them on the appointed day.

*Duties with respect to management of activities*

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*Power of Minister to obtain information from Board*

- 10 Section 10 shall apply to the Board as it applies to the Crown Agents.

*Annual reports*

- 11 Section 11 shall apply to the Board as it applies to the Crown Agents.

*Control by Board of subsidiaries*

- 12 (1) Subject to sub-paragraph (2), section 12 shall apply in relation to the Board and their subsidiaries as it applies in relation to the Crown Agents and their subsidiaries, but with the omission, in subsection (2), of “wholly owned”, wherever occurring.
- (2) In the case of any subsidiary of the Board, the duty of the Board under section 12(1) (b), as applied by sub-paragraph (1), shall not apply as regards—
- (a) the doing of anything by the subsidiary for the purpose of realising any of the subsidiary’s assets; or
  - (b) the doing by the subsidiary of anything mentioned in paragraph 8(4).

*Management of liquid assets of Board and their subsidiaries*

- 13 Any money for the time being standing to the credit of the Board shall be held or invested by them in accordance with regulations; and the Board shall ensure that any money for the time being standing to the credit of any subsidiary of the Board is held or invested by it in accordance with regulations.

*Application of surplus revenue of Board*

- 14 (1) If for any accounting year there is an excess of revenue of the Board over the total sums properly chargeable by the Board to revenue account, the excess shall be applied by the Board in such manner as the Minister, with the approval of the Treasury and after consultation with the Board, may direct.
- (2) If it appears to the Minister, after consultation with the Board, that the whole or a part of any such excess is surplus to the requirements of the Board, he may under this paragraph, with the approval of the Treasury, direct the Board to pay the whole or, as the case may be, that part of that excess into the Consolidated Fund.
- (3) The account required to be prepared by the Minister in respect of any financial year under section 20(7) in its application to the Board shall include particulars of any sums required to be paid into the Consolidated Fund under this paragraph during that year.

*Borrowing by the Board and their subsidiaries*

- 15 (1) Subject to paragraph 16, the Board may borrow money in accordance with the provisions of section 18(2) to (4), as applied by sub-paragraph (2), and not otherwise.
- (2) Subsections (2) to (4) of section 18 shall apply in relation to the Board and their subsidiaries as they apply in relation to the Crown Agents and their subsidiaries, but with the omission of “wholly owned”, wherever occurring.

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- (3) It shall be the duty of the Board to secure that, except with the consent of the Minister given with the approval of the Treasury, no subsidiary of theirs borrows money otherwise than from the Board or another subsidiary of the Board.

*Limit on indebtedness of Board and their subsidiaries*

- 16 (1) The aggregate of the following amounts, namely—
- (a) the amounts outstanding in respect of the principal of money borrowed by the Board under the provisions applied by paragraph 15(2) otherwise than from a subsidiary of theirs; and
  - (b) the amounts outstanding in respect of the principal of money borrowed by any subsidiary of the Board otherwise than from the Board or another subsidiary of the Board,
- shall not at any time exceed £275 million or such greater sum, not exceeding £325 million, as the Minister may from time to time, with the consent of the Treasury, by order specify.
- (2) No order shall be made under sub-paragraph (1) unless a draft thereof has been laid before and approved by a resolution of the House of Commons.

*Grants and loans by Minister*

- 17 Section 20 shall apply to the Board as it applies to the Crown Agents, but—
- (a) as if in subsection (2) the reference to section 18 were a reference to the provisions applied by paragraph 15(2) of this Schedule; and
  - (b) with the omission of—
    - (i) subsections (4), (7)(b) and (8);
    - (ii) the references to subsection (4) in subsections (3), (6) and (7); and
    - (iii) in subsection (5), the words from “or (4)” onwards.

*Treasury guarantees*

- 18 (1) The Treasury may on or after the appointed day guarantee, in such manner and on such conditions as they think fit, the discharge of any financial liability to which this sub-paragraph applies.
- (2) Sub-paragraph (1) applies to—
- (a) any financial liability which has on the appointed day vested in the Board under paragraph 7;
  - (b) any financial liability of the Board, not falling within paragraph (a), which immediately before that day was a financial liability of the unincorporated Agents or any of them in their capacity as such;
  - (c) any financial liability incurred by the Board towards a person other than the Minister in substitution for a liability falling within any (including this) paragraph of this sub-paragraph or to enable the Board to discharge a liability so falling.
- (3) Where the Treasury have given a guarantee under this paragraph in respect of a financial liability to which sub-paragraph (1) applies, then, if the terms or conditions of that liability are subsequently varied with the approval of the Treasury given before

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the variation takes effect, the Treasury may continue to guarantee the discharge of the liability notwithstanding the variation.

- (4) In this paragraph “financial liability” includes any form of financial obligation.
- 19 Section 21 shall apply in relation to the Board as it applies in relation to the Crown Agents, but as if any reference to a guarantee given under that section included a reference to a guarantee given under paragraph 18.

*Accounts and audit*

- 20 (1) Subsections (1) to (4) of section 22 shall apply in relation to the Board and their subsidiaries as they apply in relation to the Crown Agents and their subsidiaries.
- (2) Every statement of accounts prepared by the Board in respect of any accounting year in pursuance of the provisions applied by sub-paragraph (1) shall be submitted to the Minister at such time as he may direct.
- (3) The Minister shall send each statement of accounts submitted to him under sub-paragraph (2) to the Comptroller and Auditor General not later than the end of the month of May following the accounting year to which the statement relates; and the Comptroller and Auditor General shall examine, certify and report on the statement and shall lay copies of it and of his report before each House of Parliament not later than the end of the month of July following that accounting year.
- (4) The Board shall, for the purpose of enabling the Comptroller and Auditor General to perform his functions under sub-paragraph (3), permit any person authorised in that behalf by the Comptroller and Auditor General to inspect and make copies of any of the Board’s accounts, books, documents or papers and shall afford to any such person such explanation thereof as he may reasonably require.

*Power of Minister to give instructions*

- 21 (1) Without prejudice to any other power conferred on the Minister by this Act, the Minister may give the Board instructions with respect to any matter connected with any of their functions.
- (2) An instruction under this paragraph relating to any financial matter shall be given only with the approval of the Treasury and after consultation with the Board; and any other instruction under this paragraph shall be given only after consultation with the Board.
- (3) An instruction under this paragraph may be general or specific in character, but shall not confer on the Board power to do anything which they would not have power to do apart from the instruction.

*Duty to insure against insurable financial risks*

- 22 It shall be the duty of the Board to secure, so far as is reasonably practicable, that they and their subsidiaries are appropriately insured against financial risks arising in the course of the performance by them of their functions under this Act.

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### *Dissolution of Board*

- 23 (1) If at any time it appears to the Minister that the duties of the Board under section 25(3) (a) and (c) have been substantially discharged, he may by order made with the approval of the Treasury prescribe a day (in this and the following paragraph referred to as “the prescribed day”) and make such provision as appears to him necessary or expedient for winding up the affairs of the Board.
- (2) Such an order shall make provision—
- (a) for the transfer, by virtue of the order, of any property, rights, liabilities or obligations which the Board may have immediately before the prescribed day to a Minister of the Crown or his nominees or agents or to the Crown Agents, and for the disposal thereof; and
  - (b) for the payment into the Consolidated Fund of sums transferred by or accruing under the order to any Minister of the Crown, and the payment out of money provided by Parliament of any sums to be provided for the purposes of the order.
- (3) No order shall be made under this paragraph unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.
- (4) In this paragraph “Minister of the Crown” means the holder of an office in Her Majesty’s Government in the United Kingdom, and includes the Treasury.
- 24 (1) If the prescribed day is not the 1st January, the accounting year then current shall, in relation to the Board, be deemed to have ended with the day before the prescribed day.
- (2) As soon as the Minister is satisfied that the requirements of the following provisions, namely—
- (a) section 11 in its application to the Board; and
  - (b) paragraph 20, including the provisions of section 22(1) to (4) as thereby applied,
- have been complied with on the part of the Board in respect of accounting years down to and including the one ending immediately before the prescribed day, he shall by order dissolve the Board; and thereupon any further liabilities incurred by the Board on or after the prescribed day in complying with the said provisions or otherwise shall become liabilities of the Minister.
- (3) In relation to any statement of accounts relating to the accounting year ending immediately before the prescribed day, paragraph 20(3) shall have effect with the omission of the words from “not later” (where first occurring) to “relates” and of the words from “not later” (where last occurring) onwards.

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