



# Crown Agents Act 1995

## 1995 CHAPTER 24

### *Vesting of property, &c. of Crown Agents in a successor company*

#### **1 Vesting of property, &c. of Crown Agents in a successor company.**

- (1) On such day as the Secretary of State may by order appoint all property, rights and liabilities to which the Crown Agents for Oversea Governments and Administrations (referred to in this Act as “the Crown Agents”) were entitled or subject immediately before that day shall become by virtue of this section property, rights and liabilities of a company nominated for the purposes of this section by the Secretary of State.

References in this Act to the appointed day and to the successor company are to the day so appointed and the company so nominated.

- (2) The Secretary of State may, after consulting the Crown Agents, by order nominate for the purposes of this section any company formed and registered under the <sup>MI</sup>Companies Act 1985; but on the appointed day the company in question must be a company limited by shares which is wholly owned by the Crown.
- (3) References in this Act to property, rights and liabilities of the Crown Agents shall be construed as follows—
- (a) the references are to all property, rights and liabilities of the Crown Agents, whether or not capable of being transferred or assigned by them;
  - (b) references to property are to property of the Crown Agents whether situated in the United Kingdom or elsewhere; and
  - (c) references to rights or liabilities of the Crown Agents are to rights or liabilities under the law of the United Kingdom or of any part of the United Kingdom or under the law of any country or territory outside the United Kingdom.
- (4) An order appointing a day under subsection (1) or nominating a company for the purposes of this section may be varied or revoked by a subsequent order at any time before any property, rights or liabilities of the Crown Agents vest in a company by virtue of this section.
- (5) Schedule 1 has effect for the purpose of supplementing the provisions of this section.

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*Changes to legislation: There are currently no known outstanding effects for the Crown Agents Act 1995, Cross Heading: Vesting of property, &c. of Crown Agents in a successor company. (See end of Document for details)*

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**Subordinate Legislation Made**

P1 [S. 1\(1\)](#) power fully exercised (20.3.1997): 21.3.1997 appointed day by [S.I. 1997/1139](#), [art. 2](#)

**Marginal Citations**

M1 [1985 c. 6](#).

**2 Provisions with respect to capital structure.**

- (1) The commencing capital debt assumed by the Crown Agents under section 17 of the <sup>M2</sup>Crown Agents Act 1979 shall be repaid; and the Secretary of State may give directions as to the time and manner of repayment.
- (2) If the Secretary of State so directs before the appointed day, the Crown Agents shall be deemed to assume a debt to the Secretary of State of such amount as may be specified in the direction.  
  
The terms of the debt, including the terms as to the payment of interest and repayment, shall be such as the Secretary of State may from time to time determine.
- (3) Any sums received by the Secretary of State by virtue of subsection (1) shall be paid into the National Loans Fund; and any sums received by him by way of interest on or repayment of a debt assumed by virtue of subsection (2) shall be paid into the Consolidated Fund.
- (4) The approval of the Treasury is required for any exercise by the Secretary of State of the powers conferred by this section.

**Marginal Citations**

M2 [1979 c. 43](#).

**3 Initial Government holding in the successor company.**

- (1) As a consequence of the vesting in the successor company by virtue of section 1 of property, rights and liabilities of the Crown Agents, the successor company shall issue to the Secretary of State such securities of the company as he may from time to time direct.
- (2) The Secretary of State shall not give a direction under subsection (1) after the successor company has ceased to be wholly owned by the Crown.
- (3) Securities to be issued in pursuance of this section shall be issued at such time or times, and on such terms, as the Secretary of State may direct.
- (4) Any shares issued in pursuance of this section shall be of such nominal value as the Secretary of State may direct.
- (5) The Secretary of State may not exercise any power conferred on him by this section or dispose of, for consideration or otherwise, any securities issued to him in pursuance of this section, without the consent of the Treasury.

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- (6) Any dividends or other sums received by the Secretary of State in right of, or on the disposal of, any securities acquired by virtue of this section shall be paid into the Consolidated Fund.

#### **4 Government investment in securities of the successor company.**

- (1) The Secretary of State may, with the consent of the Treasury, at any time when the successor company is wholly owned by the Crown, acquire—
- (a) securities of the successor company, or
  - (b) rights to subscribe for any such securities.
- (2) The Secretary of State may not dispose of, for consideration or otherwise, any securities or rights acquired by him by virtue of this section without the consent of the Treasury.
- (3) Any expenses incurred by the Secretary of State in consequence of the provisions of this section shall be paid out of money provided by Parliament.
- (4) Any dividends or other sums received by the Secretary of State in right of, or on the disposal of, any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.

#### **5 Provisions as to statutory accounts of successor company.**

- (1) For the purposes of any statutory accounts of the successor company—
- (a) all the property, rights and liabilities to which the Crown Agents were entitled or subject immediately before the end of their last financial year ending before the appointed day shall be taken to have vested in the successor company by virtue of section 1, and to have so vested immediately after the end of that year; and
  - (b) the value or amount (as at the time of vesting) of any asset or liability of the Crown Agents taken to have vested in the successor company by virtue of paragraph (a) shall be taken to be the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the corresponding statement of accounts prepared by the Crown Agents in respect of the financial year referred to in paragraph (a).
- (2) For the purposes of any statutory accounts of the successor company the amount to be included in respect of any item shall be determined as if anything done by the Crown Agents (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.
- (3) Accordingly, but without prejudice to the generality of the preceding provision—
- (a) the amount to be included from time to time in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Crown Agents had been realised and retained by the company; and
  - (b) the amount to be included in any such accounts as representing the accumulated realised losses of the successor company shall be determined as if any losses realised by the Crown Agents had been realised by the company.

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- (4) References in this section to the statutory accounts of the successor company are to any accounts prepared by the successor company for the purposes of any provision of [F1the Companies Act 2006] (including group accounts).

#### Textual Amendments

- F1** Words in s. 5(4) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 200** (with arts. 6, 11, 12)

## 6 Use of “Crown Agents” as part of company name.

The words “Crown Agents” may, notwithstanding anything in [F2section 54(1)(a) of the Companies Act 2006] (prohibition of name giving impression of connection with Her Majesty’s Government), be used as part of the name of—

- (a) the successor company,
- (b) any company of which the successor company is a wholly-owned subsidiary, or,
- (c) any subsidiary of the successor company or any such company;

and the power conferred by [F3section 76 of the Companies Act 2006] (power to require company to abandon misleading name) shall not apply in relation to the use of those words as part of the name of any such company.

#### Textual Amendments

- F2** Words in s. 6 substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 154(2)(a)** (with art. 10)
- F3** Words in s. 6 substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 154(2)(b)** (with art. 10)

## 7 Corporation tax.

- (1) The successor company shall be treated for all purposes of corporation tax as if it were the same person as the Crown Agents.
- (2) The existence or exercise of the powers of the Secretary of State under section 1 shall not be regarded as constituting or creating arrangements within the meaning of section 410 of the <sup>M3</sup>Income and Corporation Taxes Act 1988 (arrangements for the transfer of a company to another group or consortium) or as constituting or creating option arrangements for the purposes of paragraph 5B of Schedule 18 to that Act.
- (3) Any debt assumed under section 2 shall be treated for the purposes of the Corporation Tax Acts as if it had been assumed—
  - (a) wholly in consideration of a loan made to the Crown Agents of an amount equal to the principal sum payable under the debt, and
  - (b) wholly and exclusively for the purposes of the trade carried on by them.

If the terms of any such debt include provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the debt was assumed,

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any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the debt had been assumed at the commencement of that period and, accordingly, as interest on the principal sum payable under the debt.

- (4) Any security (other than a share) issued by the successor company in pursuance of section 3 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued—
- (a) wholly in consideration of a loan made to the company of an amount equal to the principal sum payable under the security, and
  - (b) wholly and exclusively for the purposes of the trade carried on by that company.

If the terms of any such security include provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the security was issued, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the security had been issued at the commencement of that period and, accordingly, as interest on the principal sum payable under the security.

- (5) Any share issued by the successor company in pursuance of section 3 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to the company of an amount equal to the nominal value of the share.

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**Marginal Citations**

**M3** 1988 c. 1.

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