



Transport Act 1962

1962 CHAPTER 46

PART II

DIVISION OF COMMISSION'S UNDERTAKING

Capital debts and other financial provisions

39 Commencing capital debts of the new bodies

- (1) Each of the Boards, and the Holding Company, shall severally assume, on the transfer to them by this Act of their part of the property, rights and liabilities of the Commission, a debt due to the Minister on such terms as may be imposed under this section.

The said debts are in this Act referred to as the "commencing capital debts".

- (2) The amount of the commencing capital debts taken together shall be equal to—
- the nominal value of all the stock to which subsection(1) of section thirty-six of this Act applies, and
 - the amount of the liability extinguished by the last fore going section, and
 - the amount of the Capital Redemption Accounts as shown in the final accounts of the Commission,

with the deduction to be made under the next following subsection.

- (3) The amount to be deducted under the last foregoing subsection shall be—
- the total shown in the special account under section three of the Transport (Rail-way Finances) Act, 1957, as included in the final accounts of the Commission, and
 - the amount shown in the final accounts of the Commission in respect of the total discounts on the issue of British Transport Guaranteed Stock, less premiums on issue and less amounts written off, and
 - the amount shown in the final accounts of the Commission in respect of the book value of the cash and investments which are under paragraph (a)

Status: This is the original version (as it was originally enacted).

of subsection (1) of section thirty-seven of this Act to be transferred to the Treasury,

after deducting from the total of the amounts under paragraph (a), paragraph (b) and paragraph (c) of this subsection—

- (i) the amount shown in the final accounts of the Commission in respect of the net surplus on revenue account for the Commission's activities, excluding British Railways, for the period from the beginning of the year nineteen hundred and fifty-six to the end of the period for which the final accounts of the Commission are made up, and
 - (ii) the sums paid by the Minister to the Commission by way of grant to meet deficits on revenue account, being sums paid out of money provided by Parliament since the beginning of April, nineteen hundred and sixty (and including sums so paid under Part IV of this Act).
- (4) The commencing capital debt of each of the said bodies shall be such part of the total ascertained under subsection (2) of this section as the Minister may prescribe having regard to the manner in which the Commission's property, rights and liabilities are by this Act divided among those bodies.
- (5) The Minister's power of prescribing the amount mentioned in the last foregoing subsection shall be exercisable by order, and he shall make such an order as soon as may be after the vesting date but may from time to time, but not more than five years after the vesting date, vary an order under this subsection by a further order, where that appears to him expedient to take account of some change in the manner in which the Commission's property, rights and liabilities are so divided (whether in consequence of an order under the Sixth Schedule to this Act or otherwise), and any such order may contain such transitional provisions as appear to him expedient to take account of any interest underpaid or overpaid on the commencing capital debt of any of the said bodies.

The Minister's power of making orders under this section shall be subject to the approval of the Treasury and shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the Commons House of Parliament.

- (6) Subject to the next following section, the rate of interest payable on the commencing capital debt of each of the said bodies, the time when the principal is to be paid off and the other terms of the debt shall be such as the Minister may with the approval of the Treasury from time to time direct.
- (7) The Minister may, in the period before the first order is made under subsection (5) of this section, estimate what the commencing capital debt of the Boards and of the Holding Company will be, and require those bodies to make to him provisional payments by way of interest on those estimated amounts; and those provisional payments shall be on account of the payments of interest becoming due under subsection (6) of this section.
- (8) Any sums received by the Minister by way of interest on, or repayment of, the commencing capital debt of any of the Boards or of the Holding Company shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct and applied by the Treasury as follows, that is to say—
- (a) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury see fit, and
 - (b) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the National Debt as represents interest.