
STATUTORY INSTRUMENTS

1996 No. 604

Public Airport Companies (Capital Finance) Order 1996

Application of Part IV of the Act: requirement for credit cover

3.—(1) This paragraph applies where a controlling authority, in accordance with article 2(1)(a) above, is to be treated as incurring additional liabilities in respect of a financial year.

(2) Where paragraph (1) above applies, Part IV of the Act shall apply as if, but only as if, there were required to be available to that authority an amount of credit cover equal to the amount of additional liabilities calculated under article 2(2) above.

(3) Each of the following amounts constitutes for the purposes of this article an amount of credit cover—

- (a) an amount which, in accordance with a determination of the controlling authority is set aside from the usable part of the authority's capital receipts or from a revenue account of that authority for the financial year in question as provision to meet credit liabilities (being an amount over and above what they are required so to set aside by virtue of any other provision of Part IV of the Act); or
- (b) an amount by which, in accordance with a determination of the controlling authority, any credit approval issued or transferred to that authority, for the financial year in question, to the extent that they have not made a determination with respect to it under section 56(1) of the Act, is treated as reduced.

(4) Any amount falling to be set aside in accordance with paragraph (3)(a) above shall be set aside, and any reduction in accordance with paragraph (3)(b) above of a credit approval which is a basic credit approval shall be treated as taking place, on the last day of the financial year during which the public airport company or subsidiary concerned incurs additional liabilities on the relevant date as described in article 2(2) above.

(5) Any reduction in accordance with paragraph (3)(b) above of a credit approval which is a supplementary credit approval shall not exceed such amount of expenditure as the authority is satisfied has been incurred during the relevant financial year by the public airport company or its subsidiary, as the case may be, for a purpose and during the period specified in that supplementary credit approval.

(6) Any reduction in accordance with paragraph (3)(b) above of a credit approval which is a supplementary credit approval shall be treated as taking place on the earlier of either the last day of the period specified in the approval or the last day of the financial year described in paragraph (4) above.

(7) In a case to which paragraph (4) above applies, a determination by a controlling authority under paragraph (3) above shall not be made later than 30th September in the financial year following that in which, in accordance with paragraph (4) above, an amount is to be set aside or a basic credit approval is to be treated as reduced.

(8) In a case to which paragraph (6) above applies, a determination by a controlling authority under paragraph (3) above shall not be made later than 30th September in the financial year following that in which in, accordance with paragraph (6) above, the supplementary credit approval is to be treated as reduced.