



# Transport Act 1968

## 1968 CHAPTER 73

### PART I

#### INTEGRATION OF FREIGHT TRANSPORT SERVICES

##### *Transfer of assets, etc*

#### **5 Formation by Railways Board of, and transfer to Freight Corporation of shares in, subsidiary companies**

- (1) The Railways Board shall take steps to the satisfaction of the Minister to effect, not later than two days before the appointed day for the purposes of the transfer referred to in subsection (3)(b) of this section, the separation from the remainder of their undertaking of those parts thereof concerned respectively with—
- (a) the carriage of freightliner containers and other high capacity containers (other than container traffic consigned from private railway sidings); and
  - (b) the following activities, namely—
    - (i) the carriage of the freight traffic commonly known as rail sundries traffic; and
    - (ii) the collection and delivery of goods by road otherwise than by way of such carriage as is mentioned in paragraph (a) of this subsection, but excluding the provision of rail vehicles for, and the haulage by rail of, the containers referred to in paragraph (a) or, as the case may be, the traffic referred to in paragraph (b)(i) of this subsection; and the Board shall from time to time furnish the Minister with such information as he may require with respect to the property, rights and liabilities which the Board propose to treat as included in each respectively of those parts of their undertaking, and the Minister may give directions to the Board as to the property, rights and liabilities to be so treated.
- (2) The Railways Board shall secure that, not later than two days before the appointed day aforesaid, two wholly-owned subsidiaries of the Board are formed of which—

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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- (a) one (hereafter in this section referred to as " the freight-liner company") shall be formed with the object of carrying on such activities as are mentioned in subsection (1)(a) of this section; and
- (b) the other (hereafter in this section referred to as " the freight sundries company ") shall be formed with the object of carrying on such activities as are mentioned in subsection (1)(b) of this section;

and all securities of those companies shall be issued, as the Railways Board may direct (after consultation, in the case of fifty-one per cent. in nominal value of the securities of the freightliner company and in the case of all the securities of the freight sundries oompany, with the Freight Corporation), to the Board or to such other person or persons as the Board may nominate to hold them.

- (3) Subject to subsection (4) of this section—
  - (a) on the day before the appointed day aforesaid there shall be transferred to, and by virtue of this Act vest in, the freightliner company and the freight sundries company respectively all the property, rights and liabilities comprised in the part of the Railways Board's undertaking referred to in paragraph (a) or, as the case may be, paragraph (b) of subsection (1) of this section; and
  - (b) on the appointed day there shall be transferred to, and by virtue of this Act vest in, the Freight Corporation the aforesaid fifty-one per cent. of the securities of the freightliner company and all the securities of the freight sundries company.
- (4) Schedule 4 to this Act shall apply to any transfer under paragraph (a), and paragraphs 7 to 13 of that Schedule shall apply to any transfer under paragraph (b), of subsection (3) of this section, and the said paragraph (a) shall have effect subject to the provisions of that Schedule; and, in the case of any securities held by any person other than the Railways Board, the said paragraph (b) shall operate only to transfer the beneficial interest in those securities.
- (5) For the period of five years beginning with the appointed day aforesaid the Minister may make to the Freight Corporation grants of such amount for each respectively of those years payable in such manner as the Minister may with the approval of the Treasury determine towards any loss which it is estimated will be incurred in that year by the Corporation or the freight sundries company in the carrying on of such activities as are referred to in subsection (1)(b) of this section; but the aggregate amount of those grants shall not exceed £60 million.