

SCHEDULES

SCHEDULE 3

Section 16(4).

APPLICATION OF CORPORATION TAX ACTS IN RELATION TO PUBLIC TRANSPORT AUTHORITIES IN LONDON

- 1 In this Schedule—
 - " the Board " means the London Transport Board ;
 - " the Company " means London Country Bus Services Limited ;
 - " the Executive " means the London Transport Executive ; and
 - " the transferee ", in relation to any part of the trade of the Board transferred under Part III of the Transport (London) Act 1969, means the Company or the Executive, according to the body to which that part is transferred.
- 2 The parts of the Board's trade transferred under Part III of the Transport (London) Act 1969 to the Executive and the Company respectively shall be treated for the purposes of the Corporation Tax Acts as having been at all times separate trades ; and—
 - (a) there shall be made any necessary adjustments of accounting periods, and such apportionments as may be just of receipts, expenses, allowances or charges ; and
 - (b) the following provisions of this Schedule shall apply separately to each of those parts.
- 3 For the purposes of the Corporation Tax Acts the trade transferred to the transferee shall not be treated as permanently discontinued, nor shall a new trade be treated as set up and commenced.
- 4 The transferee shall be entitled to relief from corporation tax under subsection (1) of section 177 of the Taxes Act, as for a loss sustained by the transferee in carrying on the transferred trade for any amount which, if the Board had continued to carry on the trade, would have been available to the Board for carrying forward against chargeable profits of succeeding accounting periods, but subject to any claim made by the Board under subsection (2) of that section.
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 - (1) There shall be made to or on the transferee in accordance with sections 73 and 74 of the Capital Allowances Act 1968 (or in relation to a chargeable period ending on or before 5th April 1968, in accordance with section 56 of the Finance Act 1965) all such allowances and charges as would, if the Board had continued to carry on the trade, have fallen to be made to or on the Board in accordance with those sections, and the amount of any such allowances or charges shall be computed as if the transferee had been carrying on the trade since the Board began to do so and as if everything done to or by the Board had been done to or by the transferee.
 - (2) No sale or transfer which on the transfer of the trade is made by the Board to the transferee of any assets in use for the purposes of the trade shall be treated as giving rise to any such allowance or charge.

- 6 For the purposes of paragraph 6 of Schedule 14 to the Taxes Act (transitional allowance for annual value of land as a business expense) any occupation of land for the purposes of the trade by the Board shall be treated as having been the occupation of the transferee.
- 7 The Board shall not be entitled to relief in respect of the trade under section 178 of the Taxes Act (terminal losses) or under section 87 of the Finance Act 1965 (transitional relief on cessation of trade).
- 8 (1) For the purposes of Part III of the Finance Act 1965 (capital gains) any asset transferred on the transfer of the trade shall be deemed to be for a consideration such that no gain or loss accrues to the Board on its transfer ; and for the purposes of Part II of Schedule 6 to that Act (assets held on 6th April 1965) the transferee shall be treated as if the acquisition by the Board or the British Transport Commission of any assets so transferred had been the transferee's acquisition thereof.
- (2) In section 272(6) of the Taxes Act (Passenger Transport Executives treated as companies for the purposes of provisions of Chapter II of Part)(I of that Act about groups of companies) after the words " in relation to " there shall be inserted the words " the London Transport Executive and " and for the words " that Executive" there shall be substituted the words " each of those Executives " .