



Transport Act 1980

1980 CHAPTER 34

PART II

TRANSFER OF UNDERTAKING OF NATIONAL FREIGHT CORPORATION

Transfer of undertaking of National Freight Corporation to a company limited by shares

45 Transfer of undertaking of National Freight Corporation

- (1) On the appointed day the whole of the undertaking of the National Freight Corporation (in this Part referred to as " the Corporation ") shall, subject to subsection (4), be transferred by virtue of this section and without further assurance to a company formed for the purposes of this section and nominated under subsection (5) (in this Part referred to as " the successor company ").
- (2) In this Part " the appointed day " means such day as the Minister, with the consent of the Treasury, may appoint for the purposes of this section by order made by statutory instrument.
- (3) References in this Part to the undertaking of the Corporation are references to all the property, rights, liabilities and obligations of the Corporation, whether or not of such a nature that they could be assigned by the Corporation.
- (4) Any entitlement of the Minister and any liability of the Corporation in respect of—
 - (a) the commencing capital debt of the Corporation; and
 - (b) outstanding loans to the Corporation from the Minister,shall be extinguished immediately before the appointed day.
- (5) The Minister may by order made by statutory instrument nominate for the purposes of this section a company formed and registered under the Companies Act 1948 which on the appointed day satisfies the following requirements, that is to say
 - (a) it is a company limited by shares ; and
 - (b) all the issued shares of the company are held by the Minister or by nominees for him.

- (6) This section shall have effect subject to the provisions of Schedule 6, being supplementary provisions with respect to the transfer by virtue of this section of the undertaking of the Corporation to the successor company; but nothing in those provisions shall be taken as prejudicing the general effect of subsection (1).

46 Initial government holding in successor company

- (1) In consideration of the transfer of the undertaking of the Corporation to the successor company by virtue of section 45, the successor company shall issue to the Minister or, if the Minister so directs, to nominees for him such securities of the company as the Minister may direct.
- (2) Any shares issued in pursuance of subsection (1)—
- (a) shall be of such nominal value as the Minister may direct; and
 - (b) shall be credited as fully paid up.
- (3) The Minister shall not give any directions for the purposes of this section without the consent of the Treasury.
- (4) Securities of the successor company held by the Minister or by nominees for him shall not be disposed of except with the consent of the Treasury and in such manner and on such terms as the Treasury may direct.
- (5) Subject to section 49(5), any dividends or other sums received by the Minister, or by nominees for him, in right of, on the disposal of, or otherwise in connection with, any securities of the successor company shall be paid into the Consolidated Fund.
- (6) Stamp duty shall not be chargeable under section 47 of the Finance Act 1973 in respect of any increase in the capital of the successor company which is certified by the Treasury as having been—
- (a) effected for the purpose of complying with the requirements of this section ; or
 - (b) where any convertible securities were issued in pursuance of this section, effected in consequence of the exercise of the conversion rights attached to those securities.

47 Transitional provisions with respect to reserves, etc.

- (1) An amount corresponding to any reserves of the Corporation immediately before the appointed day which represent accumulated profits shall be treated by the successor company as reserves of that company applicable for the same purposes as the corresponding reserves of the Corporation.
- (2) Nothing in section 56 of the Companies Act 1948 (which requires premiums received on the issue of shares to be transferred to a share premium account) shall affect the operation of subsection (1).
- (3) The successor company shall treat the reserves of any company in which the Corporation held shares which were available for distribution immediately before the appointed day as if they had arisen immediately after the appointed day.
- (4) Where any dividend is paid to the successor company in respect of shares transferred to the company by virtue of section 45, that dividend shall be available for distribution as profits of the successor company notwithstanding that it is paid out of profits of the

company paying the dividend attributable to a period falling wholly or partly before the appointed day.

- (5) In ascertaining for the purposes of section 56 of the Companies Act 1948 what amount (if any) falls to be treated as a premium received on the issue of any shares in pursuance of section 46, the amount of the net assets transferred by virtue of section 45 shall be taken to be reduced by an amount corresponding to the amount of any reserve within subsection (1).

48 Dissolution and final accounts of National Freight Corporation. 6 F

- (1) The Corporation shall cease to exist on the appointed day.
- (2) The successor company shall prepare a statement of the Corporation's accounts for the period from the end of that dealt with in the last annual statement of accounts published by the Corporation down to the appointed day (in the following provisions of this section referred to as " the final period").
- (3) The statement shall be in such form and contain such particulars, compiled in such manner, as the Minister may direct with the approval of the Treasury.
- (4) The successor company shall arrange for the accounts of the Corporation for the final period to be audited by auditors appointed by the Minister; and a person shall not be qualified to be so appointed unless he is a member of, or is a Scottish firm in which all the partners are members of, one or more bodies of accountants established in the United Kingdom and for the time being recognised by the Secretary of State for the purposes of section 161(1)(a) of the Companies Act 1948.
- (5) As soon as the accounts for the final period have been audited, the successor company shall send to the Minister a copy of the statement of accounts for that period together with a copy of the auditors' report on that statement; and the Minister shall lay a copy of the statement and report before each House of Parliament.