



# Ports Act 1991

## 1991 CHAPTER 52

### PART I

#### TRANSFER OF STATUTORY PORT UNDERTAKINGS

##### *Disposal of ownership of the successor company*

### 3 Initial issue of securities of the successor company.

- (1) Following the transfer to the successor company under section 2 above of property, rights, liabilities and functions of the authority, the successor company shall issue such securities of the company as the authority may from time to time direct—
  - (a) to the authority; or
  - (b) to any person entitled to require the issue of the securities following their initial allotment to the authority.
- (2) The authority shall not give a direction under subsection (1) above at a time when the successor company has ceased to be a wholly-owned subsidiary of the authority.
- (3) Securities required to be issued in pursuance of this section shall be issued or allotted at such time or times and on such terms (as to allotment) as the authority may direct.
- (4) Shares issued in pursuance of this section—
  - (a) shall be of such nominal value as the authority may direct; and
  - (b) shall be issued as fully paid and treated for the purposes of [F1 the Companies Act 2006] as if they had been paid up by virtue of the payment to the successor company of their nominal value in cash.

#### Textual Amendments

- F1** Words in s. 3(4)(b) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), [Sch. 1 para. 124\(3\)](#) (with art. 10)

*Status: Point in time view as at 01/10/2009.*

*Changes to legislation: There are currently no known outstanding effects for the Ports Act 1991,  
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#### **4 Disposal by the authority of their holding in the successor company.**

- (1) The authority shall exercise their powers under section 3 above in such manner as appears to them to be calculated to facilitate the disposal in accordance with this section of the whole of their holding in the successor company.
- (2) For the purposes of this section, that holding is to be regarded as consisting of—
  - (a) the shares subscribed for by the authority or by any nominee of the authority on the formation of the successor company; and
  - (b) all securities of the successor company issued or rights to require the issue of such securities initially allotted to the authority in pursuance of that section.
- (3) The authority shall provide for the disposal of all securities or rights comprised in that holding in such manner, at such time or times and on such terms as they think fit.
- (4) Where any such securities or rights are disposed of in pursuance of any provision made under subsection (3) above a sum equal to 32.5 per cent. of the consideration given for the securities or rights shall be payable by the authority to the successor company within the period of sixty days beginning with the day on which the disposal is made.

#### **5 Control by appropriate Minister over exercise of authority's functions under sections 3 and 4.**

- (1) The authority shall not—
  - (a) exercise any power conferred on them by section 3 above; or
  - (b) make any provision for the disposal of any securities or rights in pursuance of their duty under section 4(3) above;
 without the consent of the appropriate Minister.
- (2) The appropriate Minister may from time to time give to the authority directions requiring them—
  - (a) to exercise any such power in a specified manner; or
  - (b) to make in pursuance of that duty provision of any specified description.
- (3) In exercising his powers under subsection (2) above the appropriate Minister shall have particular regard to the desirability of encouraging the disposal of the whole or a substantial part of the equity share capital of the successor company to—
  - (a) managers or other persons employed by the company; or
  - (b) another company the whole or a substantial part of whose equity share capital is owned by managers or other persons so employed.
- (4) In this section “specified” means specified in directions given by the appropriate Minister under this section.

#### **6 Supplementary provisions as to authority's functions.**

- (1) The authority shall have power to do anything they consider necessary or desirable for the purpose of carrying out any of their functions under sections 3 and 4 above.
- (2) The successor company shall—
  - (a) so far as it is reasonably able to do so, make available for the use of the authority such premises and other facilities as the authority may require for the purpose of carrying out their functions under this Part; and

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- (b) if so directed by the authority, meet any expenses incurred by the authority in carrying out their functions under this Part, or such part of any such expenses as the authority may direct, on behalf of the authority.

## **7 Dissolution of the authority.**

- (1) Once the appropriate Minister is satisfied—
  - (a) that the functions of the authority under sections 3 and 4(3) above have been completely carried out;
  - (b) that nothing further remains to be done by the authority under any provision made by the scheme; and
  - (c) that the authority have met all expenses and liabilities incurred by them in carrying out their functions under this Part (including in particular liabilities in respect of levy under section 13(1) below or corporation tax on chargeable gains) other than—
    - (i) any expenses met by the successor company in accordance with section 6(2)(b) above; or
    - (ii) any liabilities which he considers should be transferred to the successor company under subsection (2) below;

he may, after consulting the authority, by order dissolve the authority on a day specified in the order.

- (2) On that day any property, rights and liabilities to which the authority are entitled or subject immediately before that day (whether or not capable of being transferred or assigned by the authority) are transferred to and by virtue of this section become property, rights and liabilities of the successor company.

## **8 Treatment of net proceeds of disposal of ownership.**

- (1) Subject to subsection (2) below, an amount equal to the aggregate amount of the sums paid by the authority to the successor company under section 4(4) above shall be treated as accumulated realised profits of the successor company.
- (2) The amount which under subsection (1) above falls to be treated as accumulated realised profits of the successor company shall be—
  - (a) increased by any amount by which the asset value on the transfer to the successor company under section 7 above exceeds the liability amount; or
  - (b) reduced by any amount by which the liability amount on that transfer exceeds the asset value;as the case may require.
- (3) In subsection (2) above—
  - “the asset value” means the aggregate value of the assets transferred; and
  - “the liability amount” means the aggregate amount of the liabilities transferred.
- (4) For the purposes of this section the value of any asset and the amount of any liability transferred to the successor company under section 7 above shall be taken to be its value or amount determined in accordance with any provision made by the scheme under paragraph 9 of Schedule 1 below (transitional provision as to accounts, etc., of the successor company).

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