



Transport Act 1962

1962 CHAPTER 46 10 and 11 Eliz 2

PART I

THE BOARDS AND THE HOLDING COMPANY

Financial provisions

18 Financial duty of Boards.

- (1) ^{F1}
- (2) Each Board shall charge to revenue in every year all charges which are proper to be made to revenue, including, in particular, proper provision for the depreciation or renewal of assets and proper allocations to general reserve, and the reference in subsection (1) of this section and other references in this Act to charges properly chargeable to revenue shall be construed accordingly.
- (3) Without prejudice to the Board's powers to establish specific reserves, each Board shall establish and maintain a general reserve.
- (4) The management by each Board of their general reserve, the sums to be carried from time to time to the credit thereof, and the application of the moneys comprised therein shall be as the Board may determine:

Provided that—

- (a) no part of the moneys comprised in the general reserve shall be applied otherwise than for the purposes of the Board; and
- (b) the Minister may, with the approval of the Treasury, give to the Board directions as to any matter relating to the establishment or management of the general reserve or the carrying of sums to the credit thereof, or the application thereof.
- (5) Each of the Boards may, with the consent of the Minister given with the approval of the Treasury, make charges to capital account representing interest on expenditure of a capital nature (including expenditure of a capital nature incurred by the Commission

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before the vesting date), being interest for any period which ends on or before the end of the accounting period in which the project or scheme to which the expenditure relates is in the opinion of the Minister completed.

- (6) This section shall have effect subject to the following provisions of this Part of this Act relating to the Railways Board and the British Waterways Board.

Textual Amendments

F1 Ss. 13(5)–(8), 18(1) repealed by Transport Act 1968 (c. 73), Sch. 18 Pt. I

Modifications etc. (not altering text)

C1 Ss. 18-21, 24 extended by Transport Act (c. 73), s. 27(1)

C2 S. 18(4) proviso (a) excluded by Transport Act 1968 (c. 73), s. 41(4)

19 Borrowing powers of Boards.

- (1) Subject to the limit in subsection (3) of this section, each of the Boards may borrow temporarily, by way of overdraft or otherwise, either from the Minister or, with the consent of the Minister, from any other person, such sums as the Board may require for meeting their obligations or discharging their functions under this Act, but the aggregate of the amounts outstanding in respect of any temporary loans raised by a Board under this subsection shall not exceed such limit as the Minister may for the time being have imposed on that Board for the purposes of this subsection by a direction given to the Board.
- (2) Subject to the limit in subsection (3) of this section, each of the Boards may borrow (otherwise than by way of temporary loan) from the Minister [^{F2}or, with the consent of [^{F3}the Minister] and the approval of the Treasury, may borrow (otherwise than by way of temporary loan) in a currency other than sterling from any person, or in sterling from the Commission of the European Communities or from the European Investment Bank] such sums as the Board may require for all or any of the following purposes—
- (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets in connection with the business of the Board,
 - (b) for the provision of working capital,
 - (c) for acquiring an undertaking or part of an undertaking,
 - (d) for lending money to, or meeting a guarantee given for the benefit of, any person for the purpose of an undertaking carried on by him, or where that person is a body corporate, an undertaking carried on by a subsidiary of that body corporate,
 - (e) for subscribing for or acquiring securities of a body corporate, otherwise than by way of investment,
 - (f) for the payment of interest charged to capital account under subsection (5) of the last foregoing section,
 - (g) to pay off—
 - (i) any part of the commencing capital debt of the Board,
 - (ii) any money borrowed by the Board,
 - (iii) any liability transferred to the Board from the Commission under or in pursuance of this Act,

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- (h) for any purpose for which capital moneys are properly applicable (whether or not specified in the foregoing paragraphs).
- (3) The aggregate amount outstanding in respect of—
 - (a) the principal of any money borrowed by a Board under this section, and
 - (b) the Board’s commencing capital debt, as defined in Part II of this Act . . . ^{F4}taken together shall not exceed—
 - (i) ^{F5}
 - (ii) ^{F6}
 - (iii) ^{F7}
 - [^{F8}(iv) for the British Waterways Board £25 million or such greater sum not exceeding £35 million as the Secretary of State may by order made by statutory instrument specify.]. ^{F9}
- [^{F10}(3A) An order made under paragraph (iv) of subsection (3) above shall be made by statutory instrument, and no such order shall be made unless a draft of the order has been approved by resolution of the House of Commons.]
- (4) A Board shall not have power to borrow money except in accordance with this section.
- (5) References in this section to borrowing do not include—
 - (a) borrowing by a Board from a body corporate which is a subsidiary of that Board; or
 - (b) the receipt of money by a Board in the course of the carrying on of a savings bank operated by the Board or the use by the Board of money so received, or
 - (c) the receipt or use by a Board of money of a pension fund established for the purposes of a pension scheme in which employees of the Board or of a subsidiary of the Board participate.
- (6) This section shall have effect subject to the following provisions of this Part of this Act relating to the Railways Board and the British Waterways Board.
- [^{F11}(7) This section applies to the British Waterways Board in connection with the exercise of their functions in Scotland subject to the following modifications—
 - (a) in subsection (1), references to the Minister are to be read as references to the Scottish Ministers;
 - (b) in subsection (2), the references to the Minister are to be read as references to the Scottish Ministers, and the approval of the Treasury is not required in connection with the borrowing of any sums for any purpose mentioned in paragraphs (a) to (h); and
 - (c) for subsections (3) and (3A) there is substituted—
- (3) In any financial year the net amount of sums borrowed by the British Waterways Board under this section for discharging their functions under this Act within Scotland or for meeting their obligations in connection with the discharge of their functions there shall not exceed the amount specified for that year for the purposes of this subsection in a Budget Act.
- (3A) In subsection (3) above—

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- (a) “net amount” means the amount of sums borrowed in the financial year less any repayments made during that year (otherwise than by way of interest) in respect of sums borrowed in that year or any other year, and
- (b) “Budget Act” has the same meaning as in the Public Finance and Accountability (Scotland) Act 2000^{M1}..]

Textual Amendments

- F2** Words inserted by [Statutory Corporations \(Financial Provisions\) Act 1974 \(c. 8\)](#), [Sch. 2 para. 1](#)
- F3** Words substituted by virtue of [S.I. 1976/1775](#), [art. 2\(1\)](#) and [1979/571](#), arts. 2(1), 3(5)
- F4** Words repealed by [Transport Act 1968 \(c. 73\)](#), [Sch. 18 Pt. I](#)
- F5** [S. 19\(3\)\(i\)](#) repealed by [Transport Act 1968 \(c. 73\)](#), [Sch. 18 Pt. I](#)
- F6** [S. 19\(3\)\(ii\)](#) repealed by [Transport \(London\) Act 1969 \(c. 35\)](#), [Sch. 6](#)
- F7** [S. 19\(3\)\(iii\)](#) repealed by [Transport Act 1981 \(c. 56, SIF 126\)](#), s. 5(4), [Sch. 12 Pt. I](#)
- F8** [S. 19\(3\)\(iv\)](#) substituted by [Water Act 1981 \(c. 12, SIF 130\)](#), [s. 1\(i\)](#)
- F9** Words repealed by [Transport \(Financial Provisions\) Act 1977 \(c. 20\)](#), [s. 3\(2\)\(a\)](#)
- F10** [S. 19\(3A\)](#) inserted by [Water Act 1981 \(c. 12, SIF 130\)](#), [s. 1\(2\)](#)
- F11** [S. 19\(7\)](#) inserted (1.4.2001) by [S.I. 2000/3251](#), arts. 1(2)(b), 2, [Sch. 2 para. 2\(11\)](#) (with transitional provisions and savings in art. 4)

Modifications etc. (not altering text)

- C3** [Ss. 18-21, 24](#) extended by [Transport Act \(c. 73\)](#), s. 27(1)
- C4** [Ss. 19-21A](#): power conferred (6.1.1994) by [1993 c. 43](#), [s. 110\(1\)\(2\)](#); [S.I. 1993/3237](#), [art. 2\(2\)](#)

Marginal Citations

- M1** [2000 asp 1](#).

20 Exchequer loans.

- (1) Subject to this Act the Minister may with the approval of the Treasury lend to a Board any sums which that Board have power to borrow under subsection (1) or subsection (2) of the last foregoing section.
- (2) Any loans which the Minister makes under this section shall be repaid to him at such times and by such methods, and interest thereon shall be paid to him at such rates and at such times, as he may with the approval of the Treasury from time to time direct.
- (3) The Treasury may issue out of the [^{F12}National Loans Fund] to the Minister such sums as are necessary to enable him to make loans under subsection (1) of this section.
- [^{F13}(4) For the purpose of providing sums to be issued under the last foregoing subsection, or of providing for the replacement of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.]
- (5) Any sums received by the Minister under subsection (2) of this section shall be paid into the [^{F12}National Loans Fund] . . . ^{F14}
- (6) ^{F15}

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- [^{F16}(7) This section applies to the British Waterways Board in connection with the exercise of their functions in Scotland subject to the following modifications—
- (a) references to the Minister are to be read as references to the Scottish Ministers;
 - (b) references to the approval of the Treasury are omitted;
 - (c) in subsection (1) at the end there is inserted “as modified by subsection (7) of that section”; and
 - (d) subsections (3) and (5) are omitted.]

Textual Amendments

- F12** Words substituted by [National Loans Act 1968 \(c. 13\)](#), [Sch. 1](#)
- F13** [S. 20\(4\)](#) repealed by [National Loans Act 1968 \(c. 13\)](#), [Sch. 16 Pt. I](#) but not so as to affect any money borrowed before 1.4.1968 or any requirement as respects any account or statement for the year ending on 31.3.1968 or any earlier year
- F14** Words repealed by [National Loans Act 1968 \(c. 13\)](#), [Sch. 6 Pt. I](#) but not so as to affect any money borrowed before 1.4.1968 or any requirement as respects any account or statement for the year ending on 31.3.1968 or any earlier year
- F15** [S. 20\(6\)](#) repealed by [Transport Act 1968 \(c. 73\)](#), [Sch. 18 Pt. I](#)
- F16** [S. 20\(7\)](#) inserted (1.4.2001) by [S.I. 2000/3251](#), arts. 1(2)(b), 2, [Sch. 2 para. 2\(12\)](#) (with transitional provisions and savings in art. 4)

Modifications etc. (not altering text)

- C5** [Ss. 18-21, 24](#) extended by [Transport Act \(c. 73\)](#), s. 27(1)
- C6** [Ss. 19-21A](#): power conferred (6.1.1994) by [1993 c. 43](#), [s. 110\(1\)\(2\)](#); [S.I. 1993/3237](#), [art. 2\(2\)](#)
- C7** [S. 20\(2\)](#) amended by [National Loans Act 1968 \(c. 13\)](#), s. 2, [Sch. 1](#) and [Transport Act 1968 \(c. 73\)](#), [s. 53\(6\)](#)
- C8** The text of [ss. 13\(4\), 20\(4\), 36\(4\), 37, 61\(2\), 68\(1\), 84\(2\)\(4\)](#), the reference in [Sch. 2](#) to London Passenger Transport Act 1933 and [Sch. 11 Pt. II para 8](#), (which para. is now spent), is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

21 Treasury guarantees.

- (1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, [^{F17}the payment of interest on and the discharge of any other financial obligation in connection with], any sums which a Board borrow from a person other than the Minister in exercise of their powers under . . . ^{F18}section nineteen of this Act.
- (2) Immediately after any guarantee is given under this section the Treasury shall lay a statement of the guarantee before each House of Parliament, and where any sum is issued for fulfilling such a guarantee the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling any guarantee under this section shall be charged on and issued out of the Consolidated Fund.

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- (4) If any sums are issued in fulfilment of any guarantee given under this section in favour of a Board, that Board shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments of such amounts as the Treasury may so direct in or towards repayment of the sums so issued, and payments of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Treasury may so direct.
- (5) Any sums received by the Treasury under the last foregoing subsection shall be paid into the Exchequer.

Textual Amendments

F17 Words substituted by [Miscellaneous Financial Provisions Act 1983 \(c. 29, SIF 99:1\)](#), s. 4(1), [Sch. 2](#)

F18 Words repealed by [Statutory Corporations \(Financial Provisions\) Act 1974 \(c. 8\)](#), [Sch. 2 para. 1](#)

Modifications etc. (not altering text)

C9 [Ss. 18-21, 24](#) extended by [Transport Act \(c. 73\)](#), s. 27(1)

C10 [Ss. 19-21A](#): power conferred (6.1.1994) by [1993 c. 43](#), [s. 110\(1\)\(2\)](#)

[^{F19}21A **British Waterways Board: guarantees by the Scottish Ministers**

- (1) The Scottish Ministers may guarantee, in such manner and on such conditions as they may think fit—
- (a) the repayment of the principal of;
 - (b) the payment of interest on; and
 - (c) the discharge of any other financial obligation in connection with,
- any sums which the British Waterways Board, in connection with the exercise of their functions in Scotland, borrow from a person other than the Scottish Ministers in exercise of their powers under section 19 of this Act.
- (2) As soon as possible after any guarantee is given under this section by the Scottish Ministers, the Scottish Ministers shall lay a statement of the guarantee before the Scottish Parliament, and where any sum is issued for fulfilling such a guarantee the Scottish Ministers shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before the Scottish Parliament a statement relating to that sum.
- (3) Any sums required by the Scottish Ministers for fulfilling any guarantee under this section shall be charged on the Scottish Consolidated Fund.
- (4) If any sums are issued in fulfilment of any guarantee given under this section by the Scottish Ministers in favour of the British Waterways Board, that Board shall make to the Scottish Ministers, at such times and in such manner as the Scottish Ministers may from time to time direct, payments of such amounts as the Scottish Ministers may so direct in or towards repayment of the sums so issued, and payments of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Scottish Ministers may so direct.

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Textual Amendments

F19 S. 21A inserted (1.4.2001) by [S.I. 2000/3251](#), arts. 1(2)(b), 2, [Sch. 2 para. 2\(13\)](#) (with transitional provisions and savings in [art. 4](#))

[^{F20}21A Grants to the Railways Board.]

- (1) The Secretary of State may, with the approval of the Treasury, make to the Railways Board grants of such amounts, at such times and in such manner, as he may with the approval of the Treasury determine—
 - (a) towards the expenditure of that Board; or
 - (b) without prejudice to paragraph (a) of this subsection, for the purpose of enabling that Board to make any payment (whether by way of repayment of principal or payment of interest or of any other description) in respect of any loan made to them under section twenty of this Act.
- (2) Grants under this section may be made subject to such conditions as the Secretary of State may with the approval of the Treasury determine.
- (3) Any sums required by the Secretary of State for making grants under this section shall be paid out of money provided by Parliament.
- (4) This section is without prejudice to any other power to make grants to the Railways Board.]

Textual Amendments

F19 S. 21A inserted (1.4.2001) by [S.I. 2000/3251](#), arts. 1(2)(b), 2, [Sch. 2 para. 2\(13\)](#) (with transitional provisions and savings in [art. 4](#))
F20 [S.21A](#) inserted (6.1.1994) by [1993 c. 43, s.109](#); [S.I. 1993/3237](#), [art. 2\(2\)](#)

22 Special provisions for Railways Board.

- (1) ^{F21}
- (2)
- (4) ^{F22}
- (5) ^{F23} for the purposes of subsection (1) of section eighteen of this Act as it applies to the Railways Board, the Railways Board shall take into consideration deficits on revenue account arising at any time after the vesting date, except so far as the Minister has, under subsection (1) of this section, made a grant to meet any such deficit.
- (6) ^{F24}

Textual Amendments

F21 S. 22(1) repealed by [Statute Law \(Repeals\) Act 1974 \(c. 22\)](#), [Sch. Pt. VI](#)
F22 S. 22(4) repealed by [Statute Law \(Repeals\) Act 1974 \(c. 22\)](#), [Sch. Pt. VI](#)
F23 Words repealed by [Statute Law \(Repeals\) Act 1974 \(c. 22\)](#), [Sch. Pt. VI](#)

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F24 S. 22(6)(7) repealed by Transport Act 1968 (c. 73), **Sch. 18 Pt. I**

23 **F25**

Textual Amendments

F25 S. 23 repealed by Statute Law (Repeals) Act 1974 (c. 22), **Sch. Pt. VI**

24 Accounts.

- (1) Each Board—
- (a) shall cause proper accounts and other records in relation thereto to be kept, and
 - (b) shall prepare an annual statement of accounts in such form and containing such particulars, compiled in such manner, as the Minister may from time to time direct with the approval of the Treasury [^{F26}and, in the case of the British Waterways Board, the Scottish Ministers].
- (2) The accounts of each Board shall be audited by an auditor or auditors to be appointed annually by the Minister [^{F27}after, in the case of the British Waterways Board, consultation with the Scottish Ministers]and a person [^{F28}shall not be so appointed unless he is eligible for appointment as a company auditor under section 25 of the Companies Act 1989.]
- (3) So soon as the accounts of a Board have been audited as aforesaid, they shall send a copy of the statement of accounts referred to in paragraph (b) of subsection (1) of this section to the Minister [^{F29}and, in the case of the British Waterways Board, to the Scottish Ministers], together with a copy of the report made by the auditor or auditors on that statement, and a copy of that statement and of any such report shall be included in the report which is under this Act to be laid by the Minister annually before each House of Parliament [^{F30}and in the report which is, under this Act, to be laid by the Scottish Ministers annually before the Scottish Parliament].
- (4) Section thirty-nine of the ^{M2}Railway and Canal Traffic Act 1888, and the ^{M3}Railway Companies (Accounts and Returns) Act 1911 (which relate to the making of returns and the keeping of statistics by railway and canal companies), and, except so far as the Minister may by order made by statutory instrument otherwise provide, so much of any statutory provision as relates to the accounts, statistics and returns to be kept or made by the owners of undertakings which were by the ^{M4}Transport Act 1947, transferred to the Commission, or as relates to the audit or publication of any such accounts, shall not apply to any of the Boards.

Textual Amendments

- F26** Words in s. 24(1)(b) inserted (1.4.2001) by S.I. 2000/3251, arts. 1(2)(b), 2, **Sch. 2 para. 2(14)** (with transitional provisions and savings in art. 4)
- F27** Words in s. 24(2) inserted (1.4.2001) by S.I. 2000/3251, arts. 1(2)(b), 2, **Sch. 2 para. 2(15)** (with transitional provisions and savings in art. 4)
- F28** Words in s. 24(2) substituted (1.10.1991) by S.I. 1991/1997, regs. 2, 4, **Sch. para. 10**
- F29** Words in s. 24(3) inserted (1.4.2001) by S.I. 2000/3251, arts. 1(2)(b), 2, **Sch. 2 para. 2(16)(a)** (with transitional provisions and savings in art. 4)

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F30 Words in s. 24(3) inserted (1.4.2001) by S.I. 2000/3251, arts. 1(2)(b), 2, **Sch. 2 para. 2(16)(b)** (with transitional provisions and savings in art. 4)

Modifications etc. (not altering text)

C11 Ss. 18-21, 24 extended by Transport Act (c. 73), s. 27(1)

C12 S. 24 explained by Transport Act 1981 (c. 56, SIF 126), s. 5(4), **Sch. 4 Pt. II para. 12**

C13 S. 24 applied (6.1.1994) by 1993 c. 43, s. 94(6); S.I. 1993/3237, art. 2(2)

Marginal Citations

M2 1888 c. 25.

M3 1911 c. 34.

M4 1947 c. 49.

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