



Transport Act 1962

1962 CHAPTER 46

PART I

THE BOARDS AND THE HOLDING COMPANY

The Transport Holding Company

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- (1) For the purposes of this Act there shall be a body corporate with perpetual succession which shall be called the Transport Holding Company and which is in this Act referred to as "the Holding Company".
- (2) There shall be a chairman and not more than twelve other directors of the Holding Company who shall be the members thereof and who shall be appointed by the Minister.
- (3) The chairman and other directors of the Holding Company shall be appointed from among persons who appear to the Minister to have had wide experience of, and to have shown capacity in, transport, industrial, commercial or financial matters, administration, the practice of the law, applied science, or the organisation of workers, and the Minister in appointing them shall have regard to the desirability of including among them persons who are directors of, or concerned in the management of, the principal subsidiaries of the Holding Company.
- (4) The Holding Company shall in the conduct of their business act in accordance with such directions as may from time to time be given to them by the Minister.
- (5) Part III of the First Schedule to this Act shall have effect as regards the directors of the Holding Company and their proceedings.
- (6) Subject to subsection (9) of this section, the objects of the Holding Company shall be—
 - (a) to hold and manage the securities vested in them by virtue of this Act, and
 - (b) to exercise the rights attached to those securities,

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as if the Holding Company were a company engaged in a commercial enterprise, and the Holding Company shall have power for those objects—

- (i) to form, promote and assist companies,
- (ii) to subscribe for, take, acquire and hold, exchange and sell securities of companies,

and generally to carry on any business usually carried on by a holding company and to do all such other things as are incidental or conducive to the attainment of those objects.

- (7) It shall be the duty of the Holding Company to exercise its control over any wholly-owned subsidiary of the Holding Company so as to secure that the subsidiary does not engage in manufacture or production except the manufacture or production of things for use in their own business or for supply to a Board, or a wholly-owned subsidiary of any of the Boards or of the Holding Company, for use in their business.
- (8) The Holding Company shall have power with the consent of the Minister to sell or otherwise dispose of any of the securities vested in them by virtue of this Act, and in particular to transfer any of those securities to a subsidiary of the Holding Company in exchange for securities issued by that subsidiary.
- (9) The Minister may by order extend or vary the objects and powers of the Holding Company under this section but he shall not make such an order unless the draft of the order has been laid before Parliament and approved by resolution of each House.

The power of making orders under this subsection shall include power to vary or revoke a previous order and shall be exercised by statutory instrument.

- (10) The Holding Company's surpluses may with the consent of the Minister, given with the approval of the Treasury, be retained for the purposes of (the conduct of their business, and, except so far as they are so retained, shall be paid over to the Minister and be paid by him into the Exchequer; and so much of the sums so paid into the Exchequer as is of a capital nature shall be issued out of the Consolidated Fund at such times as the Treasury may direct, and shall be applied by the Treasury in redeeming or paying off debt of such description as the Treasury think fit.
- (11) The Holding Company shall not borrow money, otherwise than by way of temporary loan, from any person other than the Minister or a subsidiary of the Holding Company, and the aggregate principal amount outstanding in respect of money borrowed by the Holding Company otherwise than from a subsidiary of the Holding Company shall not at any time exceed thirty million pounds.
- (12) The Minister may with the approval of the Treasury lend money to the Holding Company; and subsections (2) to (6) of section twenty of this Act shall apply in relation to sums lent under this section as they apply in relation to sums lent under that section.
- (13) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, and the payment of interest on, any sums temporarily borrowed by the Holding Company from a person other than the Minister; and subsections (2) to (5) of section twenty-one of this Act shall apply in relation to guarantees under this subsection as they apply in relation to guarantees under that section.
- (14) The Holding Company shall furnish the Minister with such returns, accounts and other information with respect to their property and activities, and the property and activities of any company which is their subsidiary, as he may from time to time require.

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- (15) Subsections (1) to (3) of section twenty-four of this Act shall apply to the Holding Company as they apply to the Boards.
- (16) The Holding Company shall, as soon as possible after the end of each of their accounting years, make to the Minister a report on the manner in which they have carried on their business and exercised their powers during that year, and on their policy and programme, and the Minister shall lay a copy of every such report before each House of Parliament.
- The report for any year shall set out any direction given by the Minister under this section to the Holding Company during that year and shall include a statement of the salaries or fees and of the emoluments of each of the directors of the Holding Company during that year.
- (17) For the purpose of section forty-two of the Finance Act, 1930 (which relates to stamp duty on transfers between associated companies), the Holding Company shall be deemed to be a company with limited liability.
- (18) Nothing in subsection (11) or subsection (12) of this section shall be taken as applying in relation to the commencing capital debt of the Holding Company.
- (19) It is hereby declared that the provisions of this section concerning the powers of the Holding Company relate only to its capacity as a statutory corporation and do not authorise the Holding Company to infringe the rights of any other person.