



Agricultural Credits Act 1928

1928 CHAPTER 43

PART I

LONG TERM CREDITS

2 Provisions as to company

- (1) The company to be so formed as aforesaid shall be a company limited by shares and registered under the Companies Acts, 1908 to 1917.
- (2) The Memorandum and Articles of the company shall be subject to the approval of the Minister, and shall contain such provisions as are hereinafter mentioned, and shall not be alterable without the approval of the Minister.
- (3) The Memorandum or Articles of the company shall make provision—
 - (a) for securing that, of the directors, one shall be a person nominated by the Treasury, so long as any part of the advances made by the Minister remains outstanding;
 - (b) for restricting the dividends on the share capital of the company to five per cent. per annum;
 - (c) for regulating the loans to be made by the company on mortgage, so that a loan shall in no case exceed two-thirds of the estimated value of the mortgaged property at the time of the loan, and that the loans shall be repayable by equal yearly or half-yearly instalments of capital and interest spread over a period not exceeding sixty years, or repayable on such other terms as may be authorised by the said Memorandum or Articles;
 - (d) for empowering the company for the purpose of making loans to raise money by means of the issue of debentures;
 - (e) for the creation of suitable reserve funds, and as to the investment and application of the sums standing to the credit of those funds;
 - (f) for regulating the use of the guarantee fund to which the advances made by the Minister are to be carried;
 - (g) for requiring the company to supply to the Minister copies of balance-sheets and profit-and-loss accounts;

Status: This is the original version (as it was originally enacted).

- (h) for the repayment of the advances made by the Minister; so however that provision shall be made—
 - (i) that, if at the expiration of fifteen years from the incorporation of the company, the advances made by the Minister to the guarantee fund exceed seven-and-a-half per cent. of the aggregate amount of the loans made by the company on mortgages and land charges up to that date, the excess shall, if the Minister so requires, be repaid;
 - (ii) that in any year, after thirty years from the incorporation of the company, in which the total reserves including the guarantee fund (but excluding the share capital) exceed seven-and-a-half per cent. of the liabilities (other than share capital and guarantee fund), there shall be allocated to the repayment of the guarantee fund one-half of the profits remaining after paying the maximum dividend on the share capital;
 - (i) for providing that in the event of the company being wound up, the liability of the company to the Minister for the amount of the advances outstanding shall rank after other liabilities of the company to creditors, and that if, after the discharge of such other liabilities, the sum available is insufficient to pay the sums so outstanding and the paid up share capital in full, the sum so available shall be divided between the Minister and shareholders in the proportion which the amount of the outstanding advances of the Minister bears to the amount of the paid up share capital of the company.
- (4) For the purposes of this Part of this Act references to debentures shall include references to debenture stock and references to shares and share holders shall include references to stock and stock holders.