



Coal Act 1938

1938 CHAPTER 52

PART I

UNIFICATION OF COAL MINING ROYALTIES

Financial provisions

24 Reserve fund of the Commission

- (1) The Commission shall establish a reserve fund, and shall carry to the credit of that fund, immediately after their accounts for each financial year have been made up, an amount equal to any excess of their revenues for that year over their liabilities for that year properly chargeable to revenue account, whether in respect of salaries, allowances, remuneration, pensions, gratuities or expenses payable under the First or Third Schedule to this Act or of other administrative expenses, of interest on any loan raised or stock issued by them, of any sums which by the terms of the raising or issue of any such loan or stock they are bound to set aside towards the repayment of the principal thereof, or of any other matter involving a liability properly so chargeable (which excess is in this and the next succeeding section referred to as the Commission's "annual surplus").
- (2) The reserve fund shall be applicable primarily for the purposes of meeting any deficiency at any time arising on the revenue account of the Commission and of meeting any extraordinary claim or demand at any time arising against the Commissions, and the Board of Trade shall from time to time, with the approval of the Treasury, by regulation prescribe—
 - (a) an amount, in this and the next succeeding section referred to as "the prescribed minimum reserve", being such an amount as may be required by the Board with the approval of the Treasury to be held for the time being to the credit of the reserve fund for answering those purposes; and
 - (b) an amount, in this and the next succeeding section referred to as "the prescribed appropriation to reserve", being such an amount as may be required by the Board with the approval of the Treasury to be made available

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for carrying to the credit of the reserve fund at the end of each financial year of the Commission whilst the regulation remains in force.

- (3) At any time at which the value of the reserve fund is greater than the prescribed minimum reserve, the Commission may apply a part thereof, not exceeding in value the amount of the excess, in purchasing for cancellation stock issued by them under this Part of this Act or otherwise for the redemption of debt.
- (4) Sums credited to the reserve fund shall be invested from time to time in such securities of the Government of the United Kingdom as the Commission may, with the approval of the Board of Trade, think fit, and references in this and the next succeeding section to the value of the reserve fund or of any part thereof shall be construed as references to the value of the investments and cash of which the reserve fund or that part thereof consists, as determined by the Treasury.
- (5) If any question arises as to whether any liability of the Commission ought to be treated as properly chargeable to revenue account, or any claim or demand arising against the Commission ought to be treated as of an extraordinary character, it shall be referred to the Board of Trade whose decision shall be conclusive.