
STATUTORY INSTRUMENTS

1990 No. 719

The Public Airport Companies (Capital Finance) Order 1990

Liabilities of controlling authority

2.—(1) Where a public airport company or any subsidiary of such a company—

- (a) incurs additional liabilities; or
- (b) reduces its liabilities;

the liabilities are to be treated for the purposes of the application of Part IV of the Act as if they were incurred or reduced, as the case may be, by the controlling authority of that company; and, where they are to be so treated, the provisions of that Part are to apply as described in articles 3 and 4 below.

(2) For the purposes of paragraph (1) above, a public airport company or any subsidiary of such a company incurs additional liabilities where, upon calculation, the total of its relevant liabilities on the relevant date in a financial year exceeds an amount equal to the total of its relevant liabilities on the relevant date in the immediately preceding financial year.

(3) For the purposes of paragraph (1) above, a public airport company or any subsidiary of such a company reduces its liabilities where, upon calculation, the total of its relevant liabilities on the relevant date in a financial year is less than an amount equal to the total of its relevant liabilities on the relevant date in the immediately preceding financial year.

(4) In paragraphs (2) and (3) above, “relevant liabilities”, in relation to a public airport company or any subsidiary of such a company, means the aggregate of—

- (a) the total of the liabilities of the company or subsidiary, other than current liabilities, which are shown in the company’s or subsidiary’s balance sheet or if there is no balance sheet as at any date in the financial year in question, the total of which is estimated by the controlling authority; and
- (b) the amount, if any, by which the total of the current liabilities of the company or subsidiary exceeds the total of its current assets;

and the issued share capital and stock of a company or subsidiary are to be treated as a liability owed to the person who holds such issued capital or stock.

(5) In this article “liabilities” do not include any liability owed to the controlling authority or to a constituent council of the controlling authority nor any liabilities owed to or by a public airport company by or to any subsidiary of that company.