
STATUTORY INSTRUMENTS

1992 No. 196

LOCAL GOVERNMENT, ENGLAND AND WALES

The Public Airport Companies (Capital Finance)(Second Amendment) Order 1992

<i>Made</i>	- - - -	<i>5th February 1992</i>
<i>Laid before Parliament</i>		<i>7th February 1992</i>
<i>Coming into force</i>	- -	<i>28th February 1992</i>

The Secretary of State for Transport, in exercise of the powers conferred on him by section 39(5), (6) and (7) of the Local Government and Housing Act 1989⁽¹⁾ and of all other powers enabling him in that behalf, hereby makes the following order:—

1. This Order may be cited as the Public Airport Companies (Capital Finance) (Second Amendment) Order 1992 and shall come into force on 28th February 1992.

2. The Public Airport Companies (Capital Finance) Order 1990⁽²⁾ shall be amended as follows—

(1) In paragraph (4) of article 2 for the word “In” at the beginning there shall be substituted the words “Subject to paragraphs (6) and (7) below, in”.

(2) In paragraph (4) of article 2 after the words “a company or subsidiary” there shall be added the following words—

“including any premium obtained by the company or subsidiary upon the issue of such shares or stock”.

(3) After paragraph (5) of article 2 there shall be added the following paragraphs—

“(6) Liabilities shown in the company’s or subsidiary’s balance sheet and which comprise current liabilities shall be included in the total of the liabilities of the company or subsidiary for the purpose of paragraph (4)(a) above and excluded from the total of current liabilities of that company or subsidiary for the purpose of paragraph (4)(b) above to the extent that they include any current liability which, in accordance with a determination of the controlling authority referring to that liability and made no later than 30th September in the following financial year, is not to be set against the current assets of the company or subsidiary.

(7) Liabilities shown in the company’s or subsidiary’s balance sheet and which comprise current liabilities shall be included in the total of the liabilities of the company or subsidiary

(1) 1989 c. 42.

(2) S.I.1990/719; amended by S.I. 1991/423.

for the purpose of paragraph (4)(a) above and excluded from the total of current liabilities of that company or subsidiary for the purpose of paragraph (4)(b) above where they were shown as liabilities of that company or subsidiary in the balance sheet for the preceding financial year but did not then comprise current liabilities.”.

(4) In paragraph (8) of article 3 for the date “31st May” there shall be substituted the date “30th September”.

(5) After paragraph (8) of article 3 there shall be added the following paragraph—

“(9) Nothing in this article shall require credit cover to be available for the financial year ending 31st March 1992 for that part of any additional liabilities calculated under article 2(2) above which comprises a borrowing, not being a short term borrowing, incurred on or after 1st April 1991 and used for the purpose of meeting any current liability included in the calculation of relevant liabilities on the relevant date in the financial year ending 31st March 1991 provided such current liability, at the time it was incurred, was either—

- (a) an advance treated as prescribed expenditure of the controlling authority in accordance with section 22 of the Airports Act 1986, or
- (b) incurred for the purpose of repaying such an advance.”

(6) Article 5 shall be deleted.

(7) In the Schedule there shall be deleted the entry—
“Liverpool Airport plc Knowsley Borough Council”.

Signed by authority of the Secretary of State for Transport

5th February 1992

Brabazon of Tara
Minister of State,
Department of Transport

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Public Airport Companies (Capital Finance) Order 1990.

The principal changes are—

(1) Where a company or subsidiary obtains a premium on the issue of shares or stock that premium is treated as a liability owed to the share or stock holder for the purposes of article 2 of the principal Order (article 2(2)).

(2) For the purpose of calculating the difference as between one financial year and another of the relevant liabilities of a public airport company or its subsidiary (which determines the credit cover required by the local authority that is the controlling authority) current liabilities which that local authority determine not to set against the current assets of the company or subsidiary are included in the calculation as if they were not current liabilities. Also for that purpose current liabilities appearing as such in the balance sheet of the company or subsidiary which in the preceding financial year were not current liabilities are included in the calculation as if they were not current liabilities (article 2(3)).

(3) In those cases where certain short term borrowing made before 31st March 1991 is repaid with monies from long term borrowing made in the current financial year any consequential increase in relevant liabilities of the public airport company or its subsidiary as compared with the previous financial year will cease to that extent to require its controlling authority to secure the availability of credit cover (article 2(5)).

(4) Article 5 which made provision for additional credit allowance consequent upon changes in the capital structure of a public airport company or subsidiary is deleted (article 2(6)).

(5) Liverpool Airport plc is deleted from the Schedule (article 2(7)).