



# Civil Aviation Act 1971

## 1971 CHAPTER 75

### PART III

#### THE BRITISH AIRWAYS BOARD

##### *Constitution*

#### **37 Constitution of the Board**

- (1) There shall be a body corporate, to be called the British Airways Board (and hereafter in this Act referred to as " the Board "), which shall be constituted in accordance with the following provisions of this Part of this Act and shall have the functions conferred on it by or under those provisions.
- (2) The Board shall consist of not less than eight nor more than fifteen persons appointed by the Secretary of State to be members of the Board; and the Secretary of State—
  - (a) shall appoint one member to be the chairman of the Board; and
  - (b) may appoint one or more other members to be a deputy chairman or deputy chairmen of the Board.
- (3) The provisions of Schedule 8 to this Act shall have effect with respect to the Board.
- (4) It is hereby declared that the Board is not to be regarded as the servant or agent of the Crown, or as enjoying any status, immunity or privilege of the Crown, or (subject to the provisions of this Act relating to stamp duty) as exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and that its property is not to be regarded as property of or held on behalf of the Crown.
- (5) In Part II of Schedule 1 to the House of Commons Disqualification Act 1957, as it applies in relation to the House of Commons of the Parliament of the United Kingdom, after the entry relating to the British Airports Authority there shall be inserted the words "The British Airways Board"; and in the Part substituted for the said Part II by Schedule 3 to that Act in relation to the Senate and House of Commons of Northern Ireland, after the entry relating to the Attendance Allowance Board for Northern Ireland there shall be inserted the words aforesaid.

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### *General functions of the Board*

## **38 General powers**

- (1) Subject to the following provisions of this Part of this Act, the Board shall have power—
- (a) to provide air transport services and carry out all other forms of aerial work, whether on charter terms or otherwise, in any part of the world ;
  - (b) without prejudice to the generality of the preceding paragraph, to do all or any of the following—
    - (i) to promote the formation of undertakings constituted for the purpose of providing air transport services or engaging in any other activities of a kind which the Board has power to carry on ;
    - (ii) to acquire any such undertaking or a financial interest in any such undertaking ;
    - (iii) to lend money to or enter into guarantees for the benefit of any such undertaking ;
  - (c) to control all the activities of the British Overseas Airways Corporation and the British European Airways Corporation (hereafter in this Act referred to jointly as " the corporations" and severally as "BOAC" and " BEA" respectively) and for that purpose to give to the corporations or either of them such directions as the Board thinks fit;
  - (d) to appoint such persons as the Board thinks fit as the chairmen, deputy chairmen and other members of the corporations and to terminate any appointment made by virtue of this paragraph notwithstanding anything in the terms on which the appointment was made;
  - (e) to provide for any person technical advice or assistance, including research services, as respects any matter in which the Board has skill or experience ;
  - (f) to do anything which is calculated to facilitate, or is conducive or incidental to, the performance of any of the Board's functions (including a function exercisable by the Board by virtue of this paragraph).
- (2) The preceding subsection shall have effect subject to the following limitations, that is to say—
- (a) the Board shall not exercise its powers under paragraph (a) or (b) of that subsection except with and in accordance with a general or special authorisation given by the Secretary of State ;
  - (b) the Board shall not have power to manufacture air frames, aero-engines or airscrews except in so far as the Secretary of State provides by order that it shall have such a power ;
  - (c) the appointment of a person as the chairman of either of the corporations shall not—
    - (i) be made unless he is a member of the Board and the Secretary of State approves the appointment, and
    - (ii) be terminated unless the Secretary of State approves its termination ;
  - (d) nothing in paragraph (d) of the preceding subsection is to be construed as—
    - (i) authorising the termination of an appointment made before that paragraph came into force, or

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- (ii) depriving a person whose appointment is terminated in pursuance of that paragraph of his entitlement (if any) to damages or compensation in consequence of the termination.

### **39 Reviews of organisation**

- (1) It shall be the duty of the Board, forthwith after the appointed day and subsequently from time to time when the Board considers it appropriate or the Secretary of State so requires,—
  - (a) to undertake a review of the group's affairs for the purpose of determining whether the carrying on of the activities of the group is organised, so far as regards the direction thereof, in the most efficient manner;
  - (b) to make a report to the Secretary of State upon the Board's conclusions arising from the review (and in relation to the first review to make the report before such a date as the Secretary of State determines after consultation with the Board).
- (2) It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of each report made in pursuance of the preceding subsection.
- (3) The Secretary of State may, after considering any report made in pursuance of subsection (1) of this section and laying a copy of it before each House of Parliament and after consulting the Board about it, give to the Board such directions as the Secretary of State considers appropriate for securing that the carrying on of the activities mentioned in that subsection is organised as there mentioned; and the Board shall not make or permit any substantial change in the organisation of the said activities except in pursuance of a direction under this subsection or with the consent of the Secretary of State.

### **40 Secretary of State's directions in the national interest etc.**

- (1) Subject to subsection (3) of this section, the Secretary of State may, after consultation with the Board, give to the Board—
  - (a) directions of a general character as to the performance of the Board's functions in relation to any matter appearing to the Secretary of State to affect the national interest;
  - (b) directions requiring the Board to dispose, or to secure that either of the corporations dispose, of any shares or stock or other financial interest held by the Board or corporation in any undertaking specified in the directions;
  - (c) directions requiring the Board to secure that any relevant body specified in the directions—
    - (i) discontinues, or restricts to an extent specified in the directions, any of the activities of the body which are so specified, or
    - (ii) disposes of such part of the undertaking of the body as is so specified, or
    - (iii) disposes of any property of the body which is so specified.
- (2) In paragraph (c) of the preceding subsection " relevant body " means—
  - (a) any undertaking of which all the issued share capital is held, directly or through a nominee, by the Board or one of the corporations ; and
  - (b) any other undertaking which, if such of its issued share capital as is held directly or through nominees by each of the corporations and each such

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undertaking as is mentioned in the preceding paragraph were held by the Board, would be an undertaking falling within the preceding paragraph.

- (3) The Secretary of State shall not give directions in pursuance of paragraph (b) or (c) of subsection (1) of this section unless he is satisfied that he will not thereby impede or prevent the proper discharge of the Board's duties.
- (4) The powers to give directions conferred by paragraphs (b) and (c) of subsection (1) of this section shall be exercisable by statutory instrument and a draft of any statutory instrument made by virtue of this subsection shall be laid before Parliament.

*Provision of funds etc. for and by the Board*

**41 Borrowing by the Board**

- (1) The Board may, with the consent of or in accordance with a general authorisation given by the Secretary of State, borrow temporarily by overdraft or otherwise such sums in sterling or other currencies as the Board may require for performing its functions.
- (2) The Board may borrow from the Secretary of State, or may with his consent borrow by the issue of stock, such sums as the Board may require for capital purposes or for fulfilling a guarantee entered into by the Board.
- (3) The Board may borrow, from such persons and on such terms as the Secretary of State may from time to time specify, any sums in currency other than sterling which are required by the Board for performing its functions.
- (4) The Board may borrow from either of the corporations such sums as the Board may require for performing its functions.
- (5) The Secretary of State shall not give consent or an authorisation or specify any person or terms in pursuance of the preceding provisions of this section except with the approval of the Treasury.

**42 Government loans to the Board**

- (1) The Secretary of State may lend to the Board any sums which the Board has power to borrow in pursuance of subsection (2) of the preceding section, and the Treasury may issue to the Secretary of State out of the National Loans Fund any sums necessary to enable the Secretary of State to make loans in pursuance of this subsection.
- (2) Any loans made in pursuance of the preceding subsection shall be repaid to the Secretary of State at such times and by such methods, and interest on the loans shall be paid to him at such times and at such rates, as he may from time to time direct; and all sums received by the Secretary of State in pursuance of this subsection shall be paid into the National Loans Fund.
- (3) The Secretary of State shall prepare in respect of each financial year an account of the sums issued to him in pursuance of subsection (1) of this section and the sums received by him in pursuance of the preceding subsection and of the disposal by him of those sums and shall send the account to the Comptroller and Auditor General before the end of the month of November next following the end of that year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it and of his report before each House of Parliament.

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- (4) The Secretary of State shall not make a loan or give a direction in pursuance of the preceding provisions of this section except with the approval of the Treasury; and the form of the account prepared in pursuance of the preceding subsection and the manner of preparing it shall be such as the Treasury may direct.

#### **43 Other government investment for the Board**

- (1) The Secretary of State may pay to the Board out of money provided by Parliament such sums as the Secretary of State thinks fit.
- (2) In consideration of receiving sums in pursuance of the preceding subsection the Board shall make to the Secretary of State, as respects each accounting year (except such a year as respects which the Board satisfies the Secretary of State that it is inappropriate to make a payment in pursuance of this subsection), payments of such amounts as may be proposed by the Board and agreed by the Secretary of State or such other amounts as the Secretary of State may determine after consultation with the Board ; and any sums received by the Secretary of State in pursuance of this subsection shall be paid into the Consolidated Fund.
- (3) The account prepared in respect of any financial year in pursuance of the preceding section shall include particulars of the sums which in that year are paid to the Board or are paid into the Consolidated Fund in pursuance of this section.
- (4) The Secretary of State shall not make a payment, signify agreement or make a determination in pursuance of the preceding provisions of this section except with the approval of the Treasury.

#### **44 Provision of funds for the corporations by the Board**

The Board may make payments to either of the corporations on such terms as the Board thinks fit; but nothing in this section shall be construed as prejudicing the Board's power to give directions altering those terms at any time.

#### **45 Transitional provisions relating to investments etc.**

- (1) There shall be deemed to be made to the Board on the appointed day—
- (a) a loan under section 42(1) of this Act equal to the capital amounts outstanding immediately before that day in respect of the advances made to BOAC under section 8 of the Act of 1967 ;
  - (b) a payment under section 43(1) of this Act equal to the capital amounts so outstanding in respect of the sums paid to BOAC under section 14 of the Act of 1967 (including the sums treated as so paid by virtue of section 14 (3) (b) or deemed to have been so paid by virtue of section 15 of that Act);
  - (c) a loan under section 42(1) of this Act equal to the capital amounts so outstanding in respect of the advances made to BEA under section 8 of the Act of 1967 and the debt assumed by BEA under section 1(2) of the Air Corporations Act 1969 ;

and those loans and that payment shall be deemed to be so made on the same terms as to repayment and the payment of interest (but with the substitution of references to the Board for references to either of the corporations and with any other necessary modifications) as the terms as to those matters which immediately before the appointed day related to the corresponding outstanding amounts aforesaid.

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- (2) Any entitlement of the Secretary of State and any liability of either of the corporations in respect of the said outstanding amounts shall be extinguished on the appointed day ; but nothing in the preceding provisions of this subsection affects any payment by way of interest or in pursuance of section 14(2) of the Act of 1967 which falls to be made by either of the corporations for any period preceding that day in respect of the capital amounts mentioned in the preceding subsection, and an amount may be fixed in pursuance of the said section 14(2) on or after that day in respect of so much of any accounting year as precedes that day.
- (3) There shall be deemed to be made on the appointed day—
- (a) a payment to BOAC under the preceding section equal to the aggregate of the loan and the payment deemed to be made to the Board by virtue of paragraphs (a) and (b) of subsection (1) of this section ; and
  - (b) a payment to BEA under the preceding section equal to the loan deemed to be made to the Board by virtue of paragraph (c) of the said subsection (1);
- and those payments shall be deemed to be so made on the same terms (but with the substitution of references to the Board for references to the Secretary of State and with any other necessary modifications) as the terms which immediately before the appointed day related to the corresponding outstanding amounts mentioned in subsection (1) of this section, without prejudice to the Board's power to give directions altering those terms at any time.

#### **46 Limit on borrowing and other investment**

- (1) Subject to subsections (2) and (3) of this section, the aggregate of—
- (a) the amount outstanding in respect of the principal of moneys borrowed by the Board (including the loans mentioned in subsection (1)(a) and (c) of the preceding section);
  - (b) the payments made to the Board under section 43(1) of this Act (including the payment mentioned in subsection (1)(b) of the preceding section); and
  - (c) the amount outstanding in respect of the principal of moneys borrowed by either of the corporations,
- shall not at any time exceed £560 million or such greater sum not exceeding £700 million as the Secretary of State may from time to time by order specify.
- (2) The following sums shall be disregarded for the purposes of the preceding subsection, that is to say—
- (a) any sums borrowed by the Board from either of the corporations or by either of the corporations from the other of them or from the Board ;
  - (b) such part of the payment mentioned in subsection (1)(b) of the preceding section or of the sums deemed to have been lent by virtue of section 51(2) (a) of this Act as represents the sums in respect of which directions were given under section 14(3)(b) of the Act of 1967 (which provided for certain sums in BOAC's reserve fund to be treated as paid by the Secretary of State under that section);
  - (c) any sum which is the subject of directions under section 52(1)(b) of this Act.
- (3) Nothing in subsection (1) of this section shall prevent the Board or either of the corporations from borrowing in excess of the limit imposed by that subsection for the purpose of paying off a loan or redeeming stock which the Board is or the corporation in question are required or entitled to redeem.

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- (4) Sections 41 to 43 of this Act shall have effect subject to the preceding provisions of this section.

#### **47 Stock**

- (1) The Board may create and issue any stock required for the purpose of exercising its powers under section 41(2) of this Act and may with the consent of the Secretary of State create and issue stock which is to be allotted as consideration for the acquisition of undertakings or of shares or stock in undertakings.
- (2) Stock issued by the Board and the interest on the stock shall be charged on the undertaking and all property and revenues of the Board.
- (3) The stock of the Board shall be issued, transferred, dealt with and redeemed on such terms as the Secretary of State may determine in accordance with regulations.
- (4) The Secretary of State shall not give consent or make regulations in pursuance of the preceding provisions of this section except with the approval of the Treasury.

#### **48 Guarantees**

- (1) The Board may guarantee, in such manner and subject to such conditions as it thinks fit, the fulfilment of any guarantee entered into by either of the corporations in pursuance of section 3(4)(c) of the Act of 1967.
- (2) Section 10 of the Act of 1967 (which relates to Treasury guarantees) shall have effect as if any reference to a corporation and section 7(3) of that Act included respectively a reference to the Board and section 41(3) of this Act.
- (3) Where the payment of the principal of and interest on any stock issued by the Board is guaranteed by the Treasury, transfers of the stock shall be exempt from all stamp duty (including stamp duty payable in Northern Ireland).

#### *Further financial provisions*

#### **49 Control of capital expenditure and of hiring of equipment**

It shall be the duty of the Board to secure that any member of the group—

- (a) in framing and carrying out proposals involving substantial outlay on capital account; and
- (b) in framing and carrying out proposals involving the taking on hire, from a person who is not such a member, of any equipment of which the purchase by the member at the time of the taking on hire would involve such an outlay,

acts on lines settled from time to time by the Board with the approval of the Secretary of State.

#### **50 Control of return on net assets etc.**

- (1) It shall be the duty of the Secretary of State to determine the rate of return on net assets (as for the time being defined for the purposes of this section by the Secretary of State) which, having regard to the provisions of section 43(2) of this Act, the Secretary of

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State considers it is reasonable for the group to achieve as respects a period specified in the determination.

- (2) A determination under this section may—
- (a) specify a period beginning before the date on which the determination is made; and
  - (b) be varied by a subsequent determination under this section;
- but nothing in paragraph (b) of this subsection shall be construed as implying that a determination under any other provision of this Act may not be varied.
- (3) The Secretary of State shall not make a determination under this section except with the approval of the Treasury and after consultation with the Board ; and it shall be the duty of the Secretary of State to give the Board notice of each determination made under this section.
- (4) It shall be the duty of the Board during any period specified in a determination under this section to exercise its powers with a view to securing that the group achieves a rate of return on net assets in respect of that period which is not less than the rate specified in the determination as for the time being in force.
- (5) The Secretary of State may by order—
- (a) substitute for the duty imposed on the Board by virtue of the preceding subsection a financial duty expressed otherwise than by reference to a rate of return on net assets;
  - (b) provide that subsections (1) to (4) of this section shall have effect with such modifications as the Secretary of State considers appropriate in consequence of the substitution; and
  - (c) without prejudice to section 63(4)(b) of this Act, make such other incidental or transitional provision as the Secretary of State considers appropriate in consequence of the substitution.

## **51 Expiration of ss.43 and 50 and consequential provision as respects investments and revenue**

- (1) Sections 43 and 50 of this Act, and in so far as any other provision of this Act except this section relates to either of those sections that other provision, shall continue in force until the end of March 1977 and shall then expire unless before they expire the Secretary of State provides by order that they shall continue in force until and expire on a later date specified in the order or shall continue in force permanently.
- (2) On the expiration of the enactments aforesaid—
- (a) any sums paid or deemed to have been paid to the Board in pursuance of the said section 43 shall be deemed to have been lent to the Board in pursuance of section 42 of this Act on the date of the expiration ;
  - (b) it shall become the duty of the Board so to conduct its affairs as to secure that the revenue of the group is not less than sufficient for meeting charges properly chargeable to revenue account, taking one year with another ; and
  - (c) section 38(2) of the Interpretation Act 1889 (which relates to the effect of repeals) shall apply as if the enactments aforesaid had been repealed on the date of expiration by an Act passed after this Act.



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## 52 Reserves

- (1) The Secretary of State may give to the Board—
- (a) directions with respect to the establishment and maintenance of reserves by the Board or either of the corporations and with respect to the sums to be from time to time transferred to those reserves, the management of those reserves and the application of those reserves (including, in the case of reserves maintained by either of the corporations by virtue of this paragraph or otherwise, directions for the application of a sum standing to the credit of the reserves as if it were a payment made by the Board to the corporation on such terms as may be determined by or in accordance with the directions) ;
  - (b) directions providing that a sum standing to the credit of reserves maintained by the Board (whether by virtue of the preceding paragraph or otherwise) shall be deemed to be a loan made to the Board in pursuance of section 42(1) of this Act or a payment made to the Board in pursuance of section 43(1) of this Act.
- (2) Directions given in pursuance of the preceding subsection may be made to have effect from a date earlier than that on which they are given; but no directions shall be given in pursuance of that subsection except after consultation with the Board and with the approval of the Treasury.

## 53 Accounts and audit

- (1) It shall be the duty of the Board—
- (a) to keep proper accounts and proper records in relation to the accounts ; and
  - (b) to prepare in respect of each accounting year, in such form as the Secretary of State with the approval of the Treasury may direct, a statement of those accounts and a statement of the accounts of the group showing the state of affairs and the profit or loss of the Board and of the group respectively ;
- and each statement prepared in respect of any accounting year in pursuance of this subsection shall include such particulars as the Secretary of State may direct with respect to any body which was a subsidiary or joint subsidiary at any time during that year and shall, in the case of a statement of the accounts of the group in respect of an accounting year, include a copy of the statements of account in respect of that year which were sent to the Board by the corporations in pursuance of section 25 of the Act of 1967.
- (2) The accounts kept and the statements prepared in pursuance of the preceding subsection shall be audited by auditors appointed annually by the Secretary of State; and a person shall not be qualified to be so appointed unless he is a member of one or more of the following bodies—
- the Institute of Chartered Accountants in England and Wales;
  - the Institute of Chartered Accountants of Scotland ;
  - the Association of Certified Accountants ;
  - the Institute of Chartered Accountants in Ireland ;
  - any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State;
- but a Scottish firm may be so appointed if each of the partners therein is qualified to be so appointed.

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- (3) As soon as the accounts and statement of accounts of the Board and the statement of accounts of the group for any accounting year have been audited, the Board shall send to the Secretary of State a copy of those statements together with a copy of any report made by the auditors on those statements or on the accounts of the Board or the accounts or statements of accounts of the corporations; and it shall be the duty of the Secretary of State to lay before each House of Parliament a copy of every statement and report of which a copy is received by him in pursuance of this subsection.

#### *Miscellaneous*

### **54 Annual report**

- (1) It shall be the duty of the Board to make to the Secretary of State, as soon as possible after the end of each accounting year, a report dealing with the operations of the group during that year and incorporating reports made to the Board by each of the corporations with respect to their operations during that year.
- (2) The report made by the Board for any accounting year in pursuance of the preceding subsection shall set out any direction given to the Board in pursuance of section 39 or section 40(1)(a) of this Act except any direction or part of a direction as to which the Secretary of State has notified the Board that in his opinion it would be against the national interest to set it out.
- (3) It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of each report received by him in pursuance of this section.

### **55 Provision by Board of information for Secretary of State**

Without prejudice to its duties apart from this section, it shall be the duty of the Board to provide the Secretary of State with such information as he may from time to time require with respect to the property, financial position, activities or proposed activities of the group or any member of the group; but no such requirement shall impose upon the Board the duty of providing the Secretary of State with information which the Board does not possess and cannot reasonably be expected to obtain.

### **56 Participation of employees of Board etc. in pension schemes**

- (1) The Secretary of State may by regulations make provision, either by confirming provisions contained in a trust deed or in any other manner, for the participation in a relevant scheme, on such terms as he thinks fit (which may include terms as to the payment of contributions by participants and their employers and former employers or any of them), of persons of prescribed classes who either—
- (a) are employees of the Board or a joint subsidiary or an undertaking which is a subsidiary by reference to share capital held by or a power to appoint directors vested in the Board; or
  - (b) are appointed to be members of the Board or directors of a joint subsidiary or such an undertaking as aforesaid and before being so appointed were participants in the scheme.

In this subsection "a relevant scheme" means a pension scheme maintained by virtue of section 24 of the Act of 1967.

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- (2) Before making any regulations in pursuance of the preceding subsection the Secretary of State shall consult the Board and each of the corporations and any such organisation representing employees to whom the regulations will relate as the Secretary of State considers appropriate.

## **57 Dissolution of the corporations**

- (1) If the report last made in pursuance of section 39 of this Act includes a statement that in the opinion of the Board either of the corporations should be dissolved, the Secretary of State may make an order—
- (a) transferring to the Board all property, rights and liabilities which immediately before the order comes into force are property, rights and liabilities of the corporation ; and
  - (b) dissolving the corporation on a day specified in the order; and
  - (c) making such modifications of the provisions of any enactment relating to either of the corporations (including this Act) as he considers are appropriate in consequence of the dissolution.
- (2) Where an asset, or the right to receive an asset, is transferred from a corporation to the Board by an order under this section, then for the purposes of Part I of the Industrial Development Act 1966—
- (a) so much of any expenditure incurred by the corporation in providing that asset as is approved capital expenditure (within the meaning of that Part of that Act) in respect of which no payment of investment grant has been made to the corporation shall be treated as having been incurred by the Board and not by the corporation ;
  - (b) the asset, if provided for the purposes of the business of the corporation, shall be treated as having been provided for the purposes of the business of the Board; and
  - (c) where the asset itself is transferred to the Board, it shall be treated as a new asset if it would have fallen to be so treated if it had remained vested in the corporation.

### *Supplemental*

## **58 Duty of Board and corporations to comply with directions**

It shall be the duty of the Board to comply with any directions given to it by the Secretary of State in pursuance of this Part of this Act (including Schedule 8 to this Act), and it shall be the duty of each of the corporations to comply with any directions given to the corporation by the Board in pursuance of this Part of this Act.

## **59 Group income and relief for tax purposes, and relief from transfer stamp duty**

- (1) For the purposes of section 256 of the Income and Corporation Taxes Act 1970 (which relates to group income), each of the corporations shall be treated as a 51 per cent. subsidiary (within the meaning of that Act) of the Board and " dividends " in that section shall include any payments in the nature of dividends which are made by either of the corporations to the Board; and for the purposes of sections 258 to 264 of that

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Act (which relate to group relief), each of the corporations shall be treated as a 75 per cent. subsidiary (within the meaning of that Act) of the Board.

(2) Stamp duty (including stamp duty payable in Northern Ireland) shall not be payable on—

(a) any instrument as to which the Board certifies to the Commissioners of Inland Revenue or, as the case may be, the Ministry of Finance for Northern Ireland that it was executed solely for the purpose of transferring, in pursuance of a direction given by virtue of section 38(1)(c) of this Act, property from the Board to either of the corporations or from either of the corporations to the Board or from one to the other of the corporations;

(b) any order made by virtue of section 57(1) of this Act;

but no such instrument as is mentioned in paragraph (a) of this subsection shall be deemed to be duly stamped unless it is stamped with the duty to which it is liable apart from this subsection or it is stamped in accordance with section 12 of the Stamp Act 1891 with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

## 60 Interpretation of Part III

(1) In this Part of this Act (including Schedule 8 to this Act) the following expressions have the following meanings except where the context otherwise requires—

" the Act of 1967 " means the Air Corporations Act 1967 ;

" the corporations ", " BOAC " and " BEA " have the meanings assigned to them respectively by section 38(1)(c) of this Act;

" the group " means the Board, the corporations and all subsidiaries and joint subsidiaries, and " member of the group " shall be construed accordingly;

" joint subsidiary " means any undertaking of which two or more of the following bodies, that is to say the Board, the corporations and all subsidiaries, are members and which would, if the interests and powers relating to the undertaking of such of those bodies as are members of it were vested in one of those bodies, be a subsidiary by reference to that one of them ;

" subsidiary " means any undertaking of which more than one half of the issued share capital is held, directly or through a nominee, by the Board or one of the corporations and any undertaking in relation to which the Board has power or one of the corporations have power directly or indirectly to appoint the majority of the directors.

(2) In this Part of this Act (including Schedule 8 to this Act), " the appointed day " means such day as the Secretary of State may by order appoint; and different days may be appointed in pursuance of this subsection for different provisions of this Part of this Act (including that Schedule) and for such different purposes of the same provision as may be specified in the order.