

## SCHEDULES

### SCHEDULE 1

#### BORROWING BY BOARD

#### PART I

##### *Section 1 of the Act of 1965 as amended*

- 1 (1) Subject to subsections (3) and (4) of this section, the National Coal Board (hereafter in this Act referred to as "the Board") may borrow temporarily, by way of overdraft or otherwise, either from the Secretary of State or, with the consent of the Secretary of State, from any other person, such sums in sterling as the Board may require for meeting their obligations and discharging their functions.
- (2) Subject to subsection (3) of this section, the Board may borrow (otherwise than by way of temporary loan) from the Secretary of State such sums in sterling as the Board may require in connection with their functions for all or any of the following purposes, that is to say—
- (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets ;
  - (b) for the provision of working capital;
  - (c) for acquiring an undertaking or part of an undertaking ;
  - (d) for lending money to, or meeting a guarantee given for the . benefit of, any person for the purpose of an undertaking carried on by him or, where that person is a body corporate, an undertaking carried on by a subsidiary of that body corporate within the meaning of section 154 of the Companies Act 1948 ;
  - (e) for subscribing for or acquiring shares, stock, debentures, debenture stock, or other securities of a like nature, of a body corporate, otherwise than by way of investment;
  - (f) to pay off any money borrowed by the Board;
  - (g) for any purpose for which capital moneys are properly applicable (whether or not specified in the foregoing paragraphs of this subsection).
- (2A) The Board with the consent of the Secretary of State (which shall require the approval of the Treasury) may borrow in a currency other than sterling any sum which they have power to borrow in sterling from the Secretary of State.
- (3) Without prejudice to subsection (4) of this section, the aggregate amount outstanding in respect of the principal of—
- (a) sums borrowed by the Board otherwise than from any of their wholly owned subsidiaries (including any sum which under section 1(4) of the Coal Industry Act 1973 is deemed to have so borrowed), and

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*Status: This is the original version (as it was originally enacted).*

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- (b) sums borrowed by any wholly owned subsidiary of the Board otherwise than from the Board or from another such subsidiary, shall not exceed the limit of £1,800 million, but the Secretary of State with the approval of the Treasury may, on not more than two occasions, by order made by statutory instrument increase or further increase that limit by £400 million (so that the limit becomes £2,200 million or on the second occasion £2,600 million).
- (4) The aggregate of the amounts outstanding in respect of sums borrowed temporarily by the Board under subsection (1) and subsection (2A) of this section—
- (a) shall not at any time exceed such limit as the Secretary of State may from time to time direct, and
  - (b) at the end of any financial year of the Board shall not be such as to permit any accumulated deficit on the Board's revenue account to exceed £50 million or such lesser or greater sum, but not exceeding £100 million, as the Secretary of State with the approval of the Treasury may specify by order made by statutory instrument.
- (5) The Board shall not have power to borrow money except in accordance with this section or with section 2(3) of the Coal Industry Act 1973.
- (6) The Secretary of State may lend to the Board any sums which the Board have power to borrow under subsection (1) or (2) of this section.
- (7) [Paragraph (a) makes textual amendments in the Act of 1946, and defines the Coal Industry Nationalisation Act 1946 as " the Act of 1946 ". The remaining provisions are repealed by this Act.]
- (8) Any power conferred by a provision of this section to make an order shall include power to vary or revoke the order by a subsequent order made under that provision; but no such power shall be exercisable unless a draft of the order has been laid before the Commons House of Parliament and approved by a resolution of that House.

*Section 2 of the Act of 1973 as amended*

- 2 (1) [Repealed].
- (2) In accordance with any general authority given by the Secretary of State with the approval of the Treasury, the Board may under subsection (1) or subsection (2A) of section 1 of the Act of 1965 borrow temporarily from any person other than the Secretary of State any sum which they have power to borrow under either of those subsections with the consent of the Secretary of State.
- (3) With the consent of the Secretary of State and the approval of the Treasury the Board may borrow (otherwise than by way of temporary loan) from the Commission of the European Communities or from the European Investment Bank (established by Article 129 of the EEC Treaty) any sum in sterling which the Board have power to borrow from the Secretary of State under section 1(2) of the Act of 1965.
- (4) It is hereby declared for the avoidance of doubt that references in section 1 of the Act of 1965 to borrowing by the Board do not include borrowing by subsidiaries of the Board.
- (5) The Board shall not make any loan to any of their subsidiaries except with the consent of the Secretary of State and the approval of the Treasury or in accordance with any general authority given by the Secretary of State with the approval of the Treasury.

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- (6) The Board shall not exercise their power to guarantee the repayment by any person of money lent to him, or the payment of interest on money lent to any person, unless the Secretary of State gives his consent or it is exercised in accordance with a general authority given by the Secretary of State.
- (7) It shall be the duty of the Board to exercise their control over their wholly owned subsidiaries so as to secure that no such subsidiary guarantees the repayment by any person of money lent to him, or the payment of interest on money lent to any person, except with the consent of the Secretary of State or in accordance with a general authority given by him.
- (8) [Repealed].