



Industry Act 1980

1980 CHAPTER 33

The National Enterprise Board and the Scottish and Welsh Development Agencies

3 Finance for companies transferred to Secretary of State.

- (1) This section applies to a company if the National Enterprise Board has at any time transferred to the Secretary of State a controlling interest in the company and the Secretary of State has not since that time ceased to hold such an interest in it.
- (2) Subject to subsection (3) below and section 5 of this Act, the Secretary of State may with the approval of the Treasury—
 - (a) acquire securities of a company to which this section applies,
 - (b) make loans to such a company on such conditions and at such rates of interest as he may with that approval determine, and
 - (c) guarantee obligations (arising out of loans or otherwise) incurred by such a company.
- (3) The Secretary of State shall not determine a rate of interest in respect of a loan under subsection (2)(b) above which is lower than the lowest rate for the time being determined by the Treasury under section 5 of the ^{M1}National Loans Act 1968 in respect of comparable loans out of the National Loans Fund.
- (4) Not later than six months after the end of any financial year in which this section has applied to one or more companies the Secretary of State shall prepare and lay before each House of Parliament a report on the exercise during that year of his powers under subsection (2) above; and the report shall specify in relation to each company which at the end of that year is a company to which this section applies—
 - (a) particulars of the securities of the company held by the Secretary of State at the end of that year,
 - (b) the amount then outstanding, otherwise than by way of interest, in respect of any loans to the company made under paragraph (b) of subsection (2) above,
 - (c) particulars of guarantees then subsisting which were given under paragraph (c) of that subsection in respect of obligations incurred by the company, and

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- (d) any sums paid to meet guarantees so given, to the extent that they have not by then been repaid.

[^{F1}(5) As soon as practicable after a company to which this section applies—

- (a) if it is a private company, has sent to members copies of accounts in accordance with [^{F2}section 423 of the Companies Act 2006], or
 (b) if it is a public company, has laid accounts before the company in general meeting in accordance with [^{F3}section 437 of that Act],

the Secretary of State shall lay before each House of Parliament a copy of those accounts and of any documents annexed or attached to them.]

- (6) Any expenditure incurred by the Secretary of State under subsection (2) above may be defrayed out of money provided by Parliament; and any sums received by him by virtue of this section (including sums received on the disposal of securities acquired by virtue of this section) shall be paid into the Consolidated Fund.

(7) In this section and in section 5 of this Act—

[^{F4}“company” means a company as defined in section 1(1) of the Companies Act 2006,]

“controlling interest” means, in relation to a company, shares carrying in the aggregate more than half the voting rights exercisable at general meetings of the company,

“shares” includes stock,

“subsidiary” means a subsidiary as defined by [^{F5}section 1159 of the Companies Act 2006],

and references to the transfer of securities to or the holding or acquisition of securities by the Secretary of State include references to the transfer of securities to or the holding or acquisition of securities by any nominee of his.

Textual Amendments

- F1** S. 3(5) substituted (1.10.2007) by [Companies Act 2006 \(Commencement No.3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#) , art. 1(3)(a)**Sch. 4 para. 35** (with art. 12)
- F2** Words in s. 3(5)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#) , art. 2(2)**Sch. 1 para. 49(a)** (with arts. 6 , 11 , 12)
- F3** Words in s. 3(5)(b) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#) , art. 2(2)**Sch. 1 para. 49(b)** (with arts. 6 , 11 , 12)
- F4** Words in s. 3(7) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#) , art. 1(2)**Sch. 1 para. 44(a)** (with art. 10)
- F5** Words in s. 3(7) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#) , art. 1(2)**Sch. 1 para. 44(b)** (with art. 10)

Marginal Citations

- M1** 1968 c. 13 .

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There are currently no known outstanding effects for the Industry Act 1980, Section 3.