
Changes to legislation: There are currently no known outstanding effects for the British Steel Act 1988, SCHEDULE 3. (See end of Document for details)

SCHEDULES

SCHEDULE 3

Section 16(4).

TRANSITIONAL PROVISIONS AND SAVINGS

Constitution of the Corporation

- 1 During the transitional period section 1(3) of the 1982 Act (constitution of the Corporation) shall have effect as if for “not less than seven” there were substituted “not less than three” and paragraph 6(1)(b) of Schedule 1 to that Act (quorum of the Corporation) shall have effect as if for “not less than three” there were substituted “not less than two”.

Vesting of the Corporation’s foreign property etc. in the successor company

- 2 (1) It shall be the duty of the Corporation and of the successor company to take, as and when during the transitional period the successor company considers appropriate, all such steps as may be requisite to secure that the vesting in the successor company by virtue of section 1 of this Act or this paragraph of any foreign property, right or liability is effective under the relevant foreign law.
- (2) Until the vesting in the successor company by virtue of section 1 of this Act or this paragraph of any foreign property, right or liability is effective under the relevant foreign law, it shall be the duty of the Corporation during the transitional period to hold that property or right for the benefit of, or to discharge that liability on behalf of, the successor company.
- (3) Nothing in sub-paragraphs (1) and (2) shall be taken as prejudicing the effect under the law of the United Kingdom, or of any part of the United Kingdom, of the vesting in the successor company by virtue of section 1 of this Act or this paragraph of any foreign property, right or liability.
- (4) The Corporation shall have all such powers as may be requisite for the performance of its duties under this paragraph, but—
- (a) it shall be the duty of the successor company during the transitional period to act on behalf of the Corporation (so far as possible) in performing the duties imposed on the Corporation by this paragraph; and
 - (b) any foreign property, rights and liabilities acquired or incurred by the Corporation during that period shall immediately become property, rights and liabilities of the successor company.
- (5) References in this paragraph to any foreign property, right or liability are references to any property, right or liability as respects which any issue arising in any proceedings would have been determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.

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- (6) Any expenses incurred by the Corporation under this paragraph shall be met by the successor company.

Application of enactments to certain continuing liabilities

- 3 Where any loan made to the Corporation under section 17 of the 1982 Act (loans by Secretary of State) is in existence immediately before the appointed day, any terms which are then applicable to the loan shall continue to apply to it after it becomes a liability of the successor company by virtue of section 1 of this Act, and section 17(4) shall continue to have effect as respects sums received by virtue of this paragraph.
- 4 (1) Where, as respects any financial year of the Corporation ending before the appointed day, the Corporation has either—
- (a) failed to discharge before that day the obligation imposed by section 18(5) of the 1982 Act, or
 - (b) failed to make before that day a proposal under section 18(5)(a) acceptable to the Secretary of State and the Treasury,
- and no direction as respects that year has been given before that day by the Secretary of State under section 18(5), then (subject to sub-paragraph (2) below) section 18(5) and (6) of that Act shall continue to apply in relation to that financial year, but as if—
- (i) references to the Corporation were references to the successor company,
 - (ii) the reference in section 18(5) to each of the Corporation's financial years were a reference to that financial year, and
 - (iii) in section 18(5)(a) the words from "beginning with" to "of this Act" were omitted.
- (2) No direction shall be given by the Secretary of State under section 18(5) of the 1982 Act (as continued in force by virtue of sub-paragraph (1) above) at a time when the successor company has ceased to be wholly owned by the Crown.
- (3) Where, as respects any financial year of the Corporation ending before the appointed day—
- (a) the Corporation has before that day made a proposal under section 18(5)(a) of the 1982 Act acceptable to the Secretary of State and the Treasury, or
 - (b) a direction has been given before that day by the Secretary of State under section 18(5),
- but (in either case) no dividend has become payable under section 18(6) of that Act, section 18(6) shall continue to apply in relation to that proposal or direction (as the case may be), but as if—
- (i) the first reference to the Corporation were a reference to the successor company, and
 - (ii) the second such reference included a reference to that company.
- (4) Any sums received by the Secretary of State from the successor company—
- (a) by virtue of sub-paragraph (1) or (3) above, or
 - (b) in the discharge of any liability to pay a dividend under section 18(6) which accrued before the appointed day (and accordingly has become a liability of that company by virtue of section 1 of this Act),
- shall be paid into the Consolidated Fund.

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Treasury guarantees

- 5 Subsections (2) to (5) of section 21 of the 1982 Act (Treasury guarantees) shall continue to apply in relation to any guarantee given by the Treasury under that section with respect to a liability of the Corporation which becomes a liability of the successor company by virtue of section 1 of this Act, but as if the reference to the Corporation in section 21(4) were a reference to the successor company.

Final reports and accounts of the Corporation

- 6 (1) Notwithstanding the repeal of section 6(2) to (7) of, and Schedule 2 to, the 1982 Act (reports to the Secretary of State)—
- (a) it shall continue to be the duty of the Corporation to make a report to the Secretary of State in accordance with those provisions in respect of each financial year of the Corporation ending before the appointed day; and
 - (b) the Secretary of State shall lay a copy of any such report before each House of Parliament.
- (2) Notwithstanding the repeal of section 24 of the 1982 Act (accounts of the Corporation and audit)—
- (a) it shall continue to be the duty of the Corporation to prepare such statements of accounts as are mentioned in subsection (1)(a) to (c) of that section in respect of each financial year of the Corporation ending before the appointed day; and
 - (b) that section shall continue to apply during the transitional period in relation to those accounts and in relation also to the auditing of accounts kept in accordance with subsection (1) of that section in respect of each such financial year.
- (3) Any expenses incurred by the Corporation under this paragraph shall be met by the successor company.

Accounts of the Secretary of State

- 7 Notwithstanding the repeal of section 20 of the 1982 Act (accounts of the Secretary of State), that section shall continue to apply in relation to—
- (a) any financial year down to and including that in which the appointed day falls; and
 - (b) any subsequent financial year in which the Secretary of State receives any sum by virtue of paragraph 3 above or any sum falling within paragraph 4(4) above.

Pensions and compensation payments

- 8 (1) The repeal by this Act of Schedule 3 to the 1982 Act (pension rights of employees) shall not affect—
- (a) the continuation in force of any pension scheme subsisting immediately before the appointed day in accordance with any regulations which then had effect as if made under that Schedule, or
 - (b) any person's rights or liabilities then subsisting in relation to any pension scheme by virtue of any such regulations.

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- (2) In sub-paragraph (1) above “pension scheme” means a pension scheme within the meaning of Schedule 3 to the 1982 Act.
- 9 (1) Any provisions of the ^{M1}Iron and Steel (Pensions) (Dependants) Regulations 1969 having effect immediately before the appointed day as if made under Schedule 3 to the 1982 Act shall continue in force (subject to the following provisions of this paragraph) notwithstanding the repeal by this Act of that Schedule.
- (2) Any reference to the Corporation in those provisions shall have effect, as respects anything falling to be done or occurring on or after the appointed day, as if it were a reference to the successor company.
- (3) Those provisions may be amended or revoked in like manner as if Schedule 3 to the 1982 Act had not been repealed (but the reference to the Corporation in paragraph 4(2) of that Schedule shall be construed as a reference to the successor company).

Marginal Citations

M1 [S.I. 1969/1052.](#)

^{F1}10

Textual Amendments

F1 [Sch. 3 para. 10](#) omitted (26.5.2015) by virtue of [Deregulation Act 2015 \(c. 20\)](#), s. 115(3)(r), [Sch. 23 para. 12](#)

Savings in connection with transfers to the Corporation

- 11 The repeals made by this Act shall not affect—
- (a) any document or other thing which has effect immediately before the appointed day subject to any modifications prescribed by the ^{M2}Steel Companies (Vesting) Order 1970, or
- (b) anything not falling within sub-paragraph (a) above (other than an enactment) which then has effect or is continuing subject to, or to modifications in consequence of, the substitution of the Corporation for any other person or body;
- but, as from the appointed day, anything falling within sub-paragraph (a) or (b) above shall be further subject to such of the provisions of paragraphs 1 to 3 of Schedule 1 to this Act as are applicable.

Marginal Citations

M2 [S.I. 1970/430.](#)

Payment of dividend by successor company before laying or delivery of accounts

- 12 (1) Where it is proposed to declare a distribution during the accounting reference period of the successor company which includes the appointed day, or before any accounts

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are laid or delivered to the registrar of companies in respect of that period, sections 270 to 276 of the ^{M3}Companies Act 1985 (relevant accounts) shall have effect as if—

- (a) such accounts as are mentioned in sub-paragraph (2) were accounts relevant under section 270, and
- (b) references in section 273 to initial accounts included references to any such accounts,

and, if any direction has been given under section 7(2)(b) of this Act which is relevant to the making of that distribution, shall accordingly have effect subject to that direction.

(2) The accounts referred to in sub-paragraph (1)(a) and (b) are such accounts as, on the assumptions stated in sub-paragraph (3), would have been prepared under section 227 of the ^{M4}Companies Act 1985 in respect of the relevant year.

(3) Those assumptions are—

- (a) that the relevant year had been a financial year of the successor company;
- (b) that the vesting effected by section 1 of this Act had been a vesting of all the property, rights and liabilities to which the Corporation was entitled or subject immediately before the beginning of the relevant year and had been effected immediately after the beginning of that year;
- (c) that the value of any asset and the amount of any liability of the Corporation vested in the successor company by virtue of that section had been the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the statement of accounts prepared by the Corporation in respect of its financial year immediately preceding the relevant year;
- (d) that any reduction in the Corporation's public dividend capital under section 2(1) of this Act had been effected during the relevant year, and had constituted such a reduction or reorganisation of capital as is mentioned in section 7(7) of this Act;
- (e) that any securities of the successor company issued or allotted before the declaration of the distribution had been issued or allotted before the end of the relevant year; and
- (f) such other assumptions (if any) as may appear to the directors of the successor company to be necessary or expedient for the purposes of this paragraph.

(4) For the purposes of such accounts as are mentioned in sub-paragraph (2) the amount to be included in respect of any item shall be determined as if anything done by the Corporation (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.

Accordingly (but without prejudice to the generality of the preceding provision)—

- (a) the amount to be included in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Corporation had been realised and retained by the company; and
- (b) the amount to be included in any such accounts as representing the accumulated realised losses of the successor company shall be determined as if any losses realised by the Corporation had been realised by the company.

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- (5) Any such accounts shall not be regarded as statutory accounts for the purposes of section 7 of this Act.
- (6) In this paragraph “the relevant year” means the last financial year of the Corporation ending before the appointed day.

Marginal Citations

M3 1985 c. 6.

M4 1985 c. 6.

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