STATUTORY INSTRUMENTS

2008 No. 628

GOVERNMENT TRADING FUNDS

The Defence Aviation Repair Agency Trading Fund (Amendment) Order 2008

Made - - - -	*5th March 2008*
Laid before the House of Commons	*10th March 2008*
Coming into force - -	*1st April 2008*

The Secretary of State, in exercise of the powers conferred by sections 1, 2(7), 2AA(1), 2A(1), and 6(1) of the Government Trading Funds Act 1973**(a)**, with the concurrence of the Treasury, makes the following Order:—

Citation and commencement

1. This Order, which amends The Defence Aviation Repair Agency Trading Fund Order 2001(**b**) ("the Principal Order"), may be cited as the Defence Aviation Repair Agency Trading Fund (Amendment) Order 2008 and shall come into force on 1st April 2008.

Amendment of the Principal Order

2.—(1) For article 4 (assets, liabilities and public dividend capital) of the Principal Order substitute the following:—

> **"4 Assets, liabilities, reserves and public dividend capital"**
>
> "(1) The Crown assets and liabilities set out in Schedule 2 to this Order shall be appropriated as assets and liabilities of the fund.
>
> (2) 22 per cent of the balance of the amount by which the values of the assets exceed the amounts of the liabilities shall be treated as revaluation reserves in the accounts of the fund and shall be maintained as reserves.
>
> (3) 50 per cent of the balance of—
>
> (a) the amount by which the value of the assets exceed the amounts of the liabilities, less
>
> (b) the amount to be treated as revaluation reserves in accordance with paragraph (2) above, shall be treated as public dividend capital of the fund."

(2) For Schedule 2 (assets and liabilities appropriated to the fund) to the Principal Order substitute the following:—

(**a**) 1973 c.63 as amended by the Government Trading Act 1990 (c.30). The 1973 Act, as amended, is set out in Schedule 1 to the 1990 Act.
(**b**) S.I. 2001/1165

"SCHEDULE 2 Article 4

ASSETS AND LIABILITIES APPROPRIATED TO THE FUND

ASSETS

Land and buildings, as at 1st April 2008, which relate to Rotary Wing and Components business units and which are used or allocated for use in the funded operations.

Plant, facilities, machinery, fixtures, fittings, vehicles, equipment and computer hardware and software, as at 1st April 2008, and which relate to Rotary Wing and Components business units and which are used or allocated for use in the funded operations.

Intangible assets, as at 1st April 2008, which relate to Rotary Wing and Components business units and which are used or allocated for use in the funded operations.

Current assets, as at 1st April 2008, which relate to Rotary Wing and Components business units and which are used or allocated for use in, or arising from the funded operations.

LIABILITIES

Creditors and accruals, as at 1st April 2008, which relate to Rotary Wing and Components business units and in relation to the funded operations."

Des Browne
4th March 2008 Secretary of State for Defence

We concur

Alan Campbell
Dave Watts
5th March 2008 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends article 4 of, and Schedule 2 to, the Defence Aviation Repair Agency Trading Fund Order 2001 ("the 2001 Order"). The Electronics and Large Aircraft operations of the Defence Aviation Repair Agency (DARA) will be transferred to, and financed by means of, a new trading fund, the Defence Support Group (DSG). The DSG will be established under the Defence Support Group Trading Fund Order 2008. The assets and liabilities relating to those operations of DARA, as at 1st April 2008, will be appropriated to the new DSG trading fund.

The remaining assets and liabilities of DARA Trading Fund, as at 1st April 2008, namely those attributable to the Rotary Wing and Components business units, will continue to be appropriated to the DARA Trading Fund. Following revaluation, the assets are estimated at £78,700,000 and the liabilities are estimated at £12,300,000.

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