STATUTORY INSTRUMENTS

2002 No. 831

GOVERNMENT TRADING FUNDS

The Royal Mint Trading Fund (Extension and Variation) Order 2002

Made - - - - *26th March 2002*

Coming into force *1st April 2002*

Whereas:

(1) the Royal Mint Trading Fund ("the Fund") was established under the Government Trading Funds Act 1973**(a)** ("the 1973 Act") by the Royal Mint Trading Fund Order 1975**(b)** ("the 1975 Order") with effect from 1st April 1975;

(2) it appears to the Chancellor of the Exchequer that:—

(a) additional operations of the Royal Mint, consisting of the manufacture and supply of gifts and collectible items other than coins and any operation incidental or conducive to such manufacture or supply, are suitable to be financed by means of a trading fund and, in particular, to be so managed that the revenue of the fund would consist principally of receipts in respect of goods or services provided in the course of the operations in question;

(b) it would be in the interests of the improved efficiency and effectiveness of the management of those operations to finance them by means of a trading fund; and

(c) the operations of the Fund should be extended to those operations;

(3) the Chancellor of the Exchequer has in accordance with section 2(1) of the 1973 Act determined what Crown assets and liabilities are properly attributable to those additional operations and are suitable to be appropriated to the Fund; and

(4) in accordance with section 6(2) of the 1973 Act, a draft of this Order extending the operations of the Fund has been laid before the House of Commons and has been approved by a resolution of that House;

Now therefore, the Chancellor of the Exchequer, in exercise of the powers conferred upon him by sections 1(1), 2(1) and 6(1) of the 1973 Act and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the Royal Mint Trading Fund (Extension and Variation) Order 2002 and shall come into force on 1st April 2002.

(a) 1973 c.63; the 1973 Act was amended by the Government Trading Act 1990 (c.30) and the 1973 Act as so amended is set out in Schedule 1 to the 1990 Act. The 1973 Act was further amended by section 119 of the Finance Act 1991 (c.31), by section 210 of, and Schedule 22 to, the Finance Act 1993 (c.34) and by section 108 of the Finance Act 2001 (c.9).

(b) S.I. 1975/501.

Extension of the Fund

2. As from 1st April 2002, the operations of the Fund shall be extended to the operations of the Royal Mint consisting of the manufacture and supply of gifts and collectible items, other than coins, and any operation incidental or conducive to such manufacture or supply.

Appropriation of assets and liabilities to the fund

3. Crown assets consisting of—

(a) part of the building known as Building 2 (Ancillary Services), Royal Mint, Llantrisant, South Wales;

(b) fixtures, fittings, machinery and equipment; and

(c) debtors,

and Crown liabilities consisting of creditors, being assets and liabilities properly attributable to the operations to which the Fund is extended by article 2 of this Order, shall be appropriated as assets and liabilities of the Fund.

Limitation of total indebtedness

4. The total outstanding at any given time in respect of amounts issued to the Fund by way of loan from the National Loans Fund under section 2B of the 1973 Act (other than as originating debt), together with the total amount at that time constituting public dividend capital issued to the Fund under section 2A(2A) of the 1973 Act, shall not exceed £50 million.

Gordon Brown
Chancellor of the Exchequer

26th March 2002

EXPLANATORY NOTE

(This note is not part of the Order)

The Royal Mint Trading Fund ("the Fund") was established by the Royal Mint Trading Fund Order 1975 ("the principal Order") under the Government Trading Funds Act 1973 with effect from 1st April 1975. This Order extends the funded operations to include those operations consisting of the manufacture and supply of gifts and collectible items, other than coins, and any operation incidental or conducive to such manufacture or supply.

The Order also provides for the additional assets (estimated to be £750,000) and additional liabilities (estimated to be £450,000) attributable to the additional operations to be appropriated to the Fund. The net value of the additional assets (estimated at £300,000) will, in accordance with section 2(4) of the 1973 Act, be treated as originating debt of the Fund.

Article 4 of the Order increases the limitation on the total indebtedness of the Fund set by the principal Order. Article 4 provides that the total amount that may be outstanding in respect of loans to the Fund from the National Loans Fund (other than as originating debt), together with the total amount issued to the Fund under section 2A(2A) of the 1973 Act as public dividend capital, shall not at any time exceed £50 million.

S T A T U T O R Y I N S T R U M E N T S

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The Royal Mint Trading Fund (Extension and Variation) Order 2002

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