



Health and Medicines Act 1988

1988 CHAPTER 49

Provisions relating to the successor company

4 Treasury guarantees.

- (1) At any time when the successor company is wholly owned by the Crown the Treasury may guarantee, in such manner and on such conditions as they think fit, the redemption or repayment of any stock issued or temporary loan raised by the successor company and the payment of interest on any such stock or loan.
- (2) Immediately after any guarantee is given under this section the Treasury shall lay a statement of the guarantee before each House of Parliament, and where any sum is issued for fulfilling such a guarantee or a guarantee such as is mentioned in subsection (6) below the Treasury shall, as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling any guarantee given or treated as given under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of any guarantee given or treated as given under this section, the successor company shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments of such amounts as the Treasury may direct in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of sums so issued at such rates as the Treasury may direct.
- (5) Any sums received by the Treasury under this section shall be paid into the Consolidated Fund.
- (6) Any guarantee given by the Treasury under section 7 of the ^{M1}National Health Service Act 1966 with respect to a liability of the Corporation which becomes a liability of the successor company by virtue of section 1 above shall be treated as if it were a guarantee given under this section.

Changes to legislation: Health and Medicines Act 1988, Cross Heading: Provisions relating to the successor company is up to date with all changes known to be in force on or before 18 January 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (7) Any guarantee given or treated as given under this section shall be extinguished when the successor company ceases to be wholly owned by the Crown.
- (8) The successor company shall be regarded for the purposes of this Act as wholly owned by the Crown at any time when each of the issued shares in the company and the whole of any stock issued by it is held by, or by a nominee of, the Secretary of State.

Marginal Citations

M1 1966 c. 8.

5 Statutory accounts of the successor company.

- (1) For the purposes of any statutory accounts of the successor company—
- (a) the vesting effected by virtue of section 1 above—
- (i) shall be taken to have been a vesting of all the property, rights and liabilities (other than any excepted property, rights and liabilities) to which the Corporation was entitled or subject immediately before the end of the last complete financial year ending before the vesting effected by virtue of section 1 above; and
- (ii) shall be taken to have been effected immediately after the end of that year; and
- (b) the value of any asset and the amount of any liability of the Corporation taken to have been vested in the successor company by virtue of paragraph (a) above shall be taken to be the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the corresponding statement of accounts prepared by the Corporation in respect of that year in pursuance of section 8 of the ^{M2}National Health Service Act 1966.

- (2) For the purposes of any statutory accounts of the successor company 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) the amount to be included from time to time 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 successor company.

- (3) References in this section to the statutory accounts of the successor company are references to any accounts prepared by the successor company for the purposes of any provision of [^{F1}the Companies Act 2006]; and in this section “complete financial year” means a financial year ending with 31st March.

Textual Amendments

F1 Words in s. 5(3) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 154](#) (with arts. 6, 11, 12)

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Marginal Citations

M2 1966 c. 8.

6 Corporation tax.

- (1) Subject to subsection (2) below, if on the day specified under section 1(1) above the successor company is a company limited by shares which is wholly owned by the Crown, it shall be treated for all purposes of corporation tax as if it were the same person as the Corporation.
- (2) The successor company shall not by virtue of subsection (1) above be regarded as a body falling within section [F²170(12) of the Taxation of Chargeable Gains Act 1992] (bodies established for carrying on industries or undertakings under national ownership or control).

Textual Amendments

F2 Words in s. 6(2) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para.17](#) (with ss. 60, 101(1), 201(3)).

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 11 words repealed by [2005 asp 13 sch. 3](#)