



# HBOS Group Reorganisation Act 2006

## 2006 CHAPTER i

### PART 3

#### TRANSFER OF UNDERTAKINGS

#### 14 Accounting provisions

(1) In this section—

“the 1991 Regulations” means the Bank Accounts Directive (Miscellaneous Banks) Regulations 1991 ([S.I. 1991 No. 2704](#));

“accounts” means all accounting records, any other accounts, statements of account, financial statements or directors' reports required to be prepared by, and in accordance with, the provisions of the 1985 Act or the 1991 Regulations;

“individual accounts” means the accounts of an individual company prepared in accordance with—

- (a) section 226 of and Schedule 4 to the 1985 Act,
- (b) section 255 of and Part I of Schedule 9 to that Act, or
- (c) the 1991 Regulations; and

“shareholder funds” means the called up share capital and the reserves of the transferor company.

(2) For the purposes of the accounts of the transferor company and the Bank, the transfer of an appointed undertaking to the Bank shall be taken to have been effected immediately after the last financial year of the transferor company and to have been a vesting in the Bank of all the property, rights and liabilities in the appointed undertaking to which the transferor company was entitled or subject immediately before the end of that year.

(3) The amount to be attributed to any asset and any liability which is taken by virtue of subsection (2) above to have been vested in the Bank immediately after the last financial year of the transferor company shall be the amount attributed to the asset or liability for the purposes of the accounts of the transferor company for its last financial year.

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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- (4) The amount to be included in the accounts of the Bank in respect of any item shall be determined as if anything done by the transferor company after its last financial year (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, earning any profit or suffering any loss, or by carrying any amount to any provision or reserve, or otherwise) had been done by the Bank.
- (5) Without prejudice to the operation of this Act, the transfer to the Bank of the appointed undertaking shall be deemed not to give rise to any transaction required by section 221 of the 1985 Act to be entered in the accounts of the Bank or the transferor company.
- (6) In respect of every item (excluding shareholder funds) shown in the balance sheet or profit and loss account of the Bank forming part of its individual accounts for its financial year in which an appointed day occurs, the corresponding amount for the last financial year of the Bank required to be shown in that balance sheet or profit and loss account by—
- (a) section 226 of and Schedule 4 to the 1985 Act,
  - (b) section 255 of and Part I of Schedule 9 to that Act, or
  - (c) the 1991 Regulations,

shall include any amount corresponding to that item shown by the transferor company in its balance sheet or profit and loss account forming part of its individual accounts for its last financial year.