
Changes to legislation: There are currently no known outstanding effects for the Telecommunications Act 1984, Paragraph 51. (See end of Document for details)

SCHEDULES

SCHEDULE 5

GENERAL TRANSITIONAL PROVISIONS AND SAVINGS

PART II

PROVISIONS AND SAVINGS COMING INTO FORCE ON TRANSFER DATE

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[^{F1}[^{F2}(1) Where a distribution is proposed to be declared during the accounting reference period of the successor company which includes the transfer date or before any accounts are laid or filed in respect of that period, sections 270 to 274 and 275(7) of the Companies Act 1985 (accounts relevant for determining whether a distribution may be made by a company without contravening Part VIII of that Act) shall have effect as if—

- (a) the reference in section 270(2) to the company's accounts, and
- (b) references in section 273 to initial accounts,

included references to such accounts as, on the assumptions stated in subparagraph (3) below, would have been prepared under Part VII of that Act in respect of the relevant year.]

(3) The said assumptions are—

- (a) that the relevant year had been a financial year of the successor company;
- (b) that the vesting effected by section 60 of this Act had been a vesting of all the property, rights and liabilities (other than the excepted liabilities) to which British Telecommunications 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 British Telecommunications 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 British Telecommunications in respect of the accounting year immediately preceding the relevant year;
- (d) 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
- (e) 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 the said accounts the amount to be included in respect of any item shall be determined as if anything done by British Telecommunications (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or

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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 in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by British Telecommunications had been realised and retained by the successor company.

- (5) The said accounts shall not be regarded as statutory accounts for the purposes of section 66 of this Act.
- (6) In this paragraph—
“complete accounting year” means an accounting year ending with 31st March;
“the relevant year” means the last complete accounting year of British Telecommunications ending before the transfer date;
“securities” has the same meaning as in Part V of this Act.]

Textual Amendments

- F1** Sch. 5 paras. 49-51 repealed (25.7.2003 for specified purposes, 29.12.2003 otherwise) by Communications Act 2003 (c. 21), ss. 406, 408, 411, **Sch. 19(1)** (with Sch. 18, Sch. 19(1) Note 1); S.I. 2003/1900, arts. 1(2), **2(1)**, 3(1), Sch. 1 (with art. 3(2)) (as amended (8.12.2003) by S.I. 2003/3142, art. 1(3)); S.I. 2003/3142, **art. 3**, Sch. 1 (with art. 11)
- F2** Sch. 5 para. 51(1) substituted for Sch. 5 para. 51(1)(2) by Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2**

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