

*Status: Point in time view as at 05/11/2016.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Cross Heading: Accountants' reports. (See end of Document for details)*

## SCHEDULES

### <sup>F1</sup>SCHEDULE 3

#### MANDATORY CONTENTS OF PROSPECTUS

##### Textual Amendments

**F1** Schs. 1-15B repealed (prosp.) by Companies Act 2006 (c. 46), ss. 1295, 1300, Sch. 16 and the repeal being partly in force, as to which see individual provisions

##### Modifications etc. (not altering text)

**C1** Sch. 3 applied with modifications by S.I. 1985/680, regs. 4–6, Sch.

**C1** Sch. 3 modified by S.I. 1991/823, reg. 2(1), Sch.1

### PART II

#### AUDITORS' AND ACCOUNTANTS' REPORTS TO BE SET OUT IN PROSPECTUS

##### *Accountants' reports*

17 If the proceeds of the issue of the shares or debentures are to be applied directly or indirectly in the purchase of any business, or any part of the proceeds of the issue is to be so applied, there shall be set out in the prospectus a report made by accountants upon—

- (a) the profits or losses of the business in respect of each of the 5 financial years immediately preceding the issue of the prospectus, and
- (b) the assets and liabilities of the business at the last date to which the accounts of the business were made up.

<sup>F1</sup>18 (1) The following provisions apply if—

- (a) the proceeds of the issue are to be applied directly or indirectly in any manner resulting in the acquisition by the company of shares in any other undertaking, or any part of the proceeds is to be so applied, and
- (b) by reason of that acquisition or anything to be done in consequence of or in connection with it, that undertaking will become a subsidiary undertaking of the company.

(2) There shall be set out in the prospectus a report made by accountants upon—

- (a) the profits or losses of the other undertaking in respect of each of the five financial years immediately preceding the issue of the prospectus, and
- (b) the assets and liabilities of the other undertaking at the last date to which its accounts were made up.

(3) The report shall—

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- (a) indicate how the profits or losses of the other undertaking would in respect of the shares to be acquired have concerned members of the company and what allowance would have fallen to be made, in relation to assets and liabilities so dealt with, for holders of other shares, if the company had at all material times held the shares to be acquired, and
  - (b) where the other undertaking is a parent undertaking, deal with the profits or losses and the assets and liabilities of the undertaking and its subsidiary undertakings in the manner provided by paragraph 16(3) above in relation to the company and its subsidiary undertakings.
- (4) In this paragraph “undertaking” and “shares”, in relation to an undertaking, have the same meaning as in Part VII.]

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**Textual Amendments**

- F1** Sch. 3 para. 18 substituted (subject to the transitional and saving provisions mentioned in S.I. 1990/355, arts. 6–9) by Companies Act 1989 (c. 40, SIF 27), ss. 23, 213(2), Sch. 10 para. 19(3)

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