

SCHEDULES

SCHEDULE 4

FORM AND CONTENT OF COMPANY ACCOUNTS

PART VI

SPECIAL PROVISIONS WHERE THE COMPANY HAS ENTERED INTO ARRANGEMENTS SUBJECT TO MERGER RELIEF

- 75 (1) Where during the financial year the company has allotted shares in consideration for the issue, transfer or cancellation of shares in another body corporate (" the other company ") in circumstances where by virtue of section 131(2) of this Act (merger relief) section 130 did not apply to the premiums on those shares, the following information shall be given by way of a note to the company's accounts—
- (a) the name of the other company ;
 - (b) the number, nominal value and class of shares so allotted ;
 - (c) the number, nominal value and class of shares in the other company so issued, transferred or cancelled ;
 - (d) particulars of the accounting treatment adopted in the company's accounts (including any group accounts) in respect of such issue, transfer or cancellation ; and
 - (e) where the company prepares group accounts, particulars of the extent to which and manner in which the profit or loss for the year of the group which appears in those accounts is affected by any profit or loss of the other company or any of its subsidiaries which arose at any time before the allotment.
- (2) Where the company has during the financial year or during either of the two financial years immediately preceding it made such an allotment of shares as is mentioned in sub-paragraph (1) above and there is included in the company's consolidated profit and loss account or, if it has no such account, in its individual profit and loss account, any profit or loss (or part thereof) to which this sub-paragraph applies then the net amount of any such profit or loss (or part thereof) shall be shown in a note to the accounts together with an explanation of the transactions to which that information relates.
- (3) Sub-paragraph (2) applies—
- (a) to any profit or loss realised during the financial year by the company, or any of its subsidiaries, on the disposal of any shares in the other company or of any assets which were fixed assets of the other company, or of any of its subsidiaries, at the time of the allotment; and
 - (b) to any part of any profit or loss realised during the financial year by the company, or any of its subsidiaries, on the disposal of any shares (not being shares in the other company), which was attributable to the fact that at the time of the disposal there were amongst the assets of the company which

Status: This is the original version (as it was originally enacted).

issued those shares, or any of its subsidiaries, such shares or assets as are described in sub-paragraph (a) above.

- (4) Where in pursuance of the arrangement in question shares are allotted on different dates, the time of allotment for the purposes of sub-paragraphs (1)(e) and (3)(a) above is taken to be—
- (a) if the other company becomes a subsidiary of the company as a result of the arrangement—
 - (i) if the arrangement becomes binding only upon the fulfilment of a condition, the date on which that condition is fulfilled, and
 - (ii) in any other case, the date on which the other company becomes a subsidiary of the company ;
 - (b) if the other company is a subsidiary of the company when the arrangement is proposed, the date of the first allotment pursuant to that arrangement.