



Companies Act 1985

1985 CHAPTER 6

PART IV

ALLOTMENT OF SHARES AND DEBENTURES

Valuation provisions

108 Valuation and report (s. 103).

- (1) The valuation and report required by section 103 (or, where applicable, section 44) shall be made by an independent person, that is to say a person qualified at the time of the report to be appointed, or continue to be, an auditor of the company.
- (2) However, where it appears to the independent person (from here on referred to as “the valuer”) to be reasonable for the valuation of the consideration, or part of it, to be made (or for him to accept such a valuation) by another person who—
 - (a) appears to him to have the requisite knowledge and experience to value the consideration or that part of it; and
 - (b) is not an officer or servant of the company or any other body corporate which is that company’s subsidiary or holding company or a subsidiary of that company’s holding company or a partner or employee of such an officer or servant,he may arrange for or accept such a valuation, together with a report which will enable him to make his own report under this section and provide the note required by subsection (6) below.
- (3) The reference in subsection (2)(b) to an officer or servant does not include an auditor.
- (4) The valuer’s report shall state—
 - (a) the nominal value of the shares to be wholly or partly paid for by the consideration in question;
 - (b) the amount of any premium payable on the shares;

Status: Point in time view as at 12/11/2004. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Section 108. (See end of Document for details)

- (c) the description of the consideration and, as respects so much of the consideration as he himself has valued, a description of that part of the consideration, the method used to value it and the date of the valuation;
 - (d) the extent to which the nominal value of the shares and any premium are to be treated as paid up—
 - (i) by the consideration;
 - (ii) in cash.
- (5) Where the consideration or part of it is valued by a person other than the valuer himself, the latter's report shall state that fact and shall also—
- (a) state the former's name and what knowledge and experience he has to carry out the valuation, and
 - (b) describe so much of the consideration as was valued by the other person, and the method used to value it, and specify the date of the valuation.
- (6) The valuer's report shall contain or be accompanied by a note by him—
- (a) in the case of a valuation made by a person other than himself, that it appeared to himself reasonable to arrange for it to be so made or to accept a valuation so made;
 - (b) whoever made the valuation, that the method of valuation was reasonable in all the circumstances;
 - (c) that it appears to the valuer that there has been no material change in the value of the consideration in question since the valuation; and
 - (d) that on the basis of the valuation the value of the consideration, together with any cash by which the nominal value of the shares or any premium payable on them is to be paid up, is not less than so much of the aggregate of the nominal value and the whole of any such premium as is treated as paid up by the consideration and any such cash.
- (7) Where the consideration to be valued is accepted partly in payment up of the nominal value of the shares and any premium and partly for some other consideration given by the company, section 103 (and, where applicable, section 44) and the foregoing provisions of this section apply as if references to the consideration accepted by the company included the proportion of that consideration which is properly attributable to the payment up of that value and any premium; and—
- (a) the valuer shall carry out, or arrange for, such other valuations as will enable him to determine that proportion; and
 - (b) his report shall state what valuations have been made under this subsection and also the reason for, and method and date of, any such valuation and any other matters which may be relevant to that determination.

Modifications etc. (not altering text)

- C1 S. 108 extended by [Companies Consolidation \(Consequential Provisions\) Act 1985 \(c. 9, SIF 27\)](#), s. 9(1)
- C2 S. 108 restricted by [Companies Consolidation \(Consequential Provisions\) Act 1985 \(c. 9, SIF 27\)](#), s. 9(2)

Status:

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Changes to legislation:

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