

## SCHEDULES

### SCHEDULE 10

#### AMENDMENTS CONSEQUENTIAL ON PART I

##### PART I

###### AMENDMENTS OF THE COMPANIES ACT 1985

- 19 (1) Part II of Schedule 3 (prospectuses: auditors' and accountants' reports to be set out) is amended as follows.
- (2) In paragraph 16 (auditors' reports), in sub-paragraph (2) for “subsidiaries” substitute “subsidiary undertakings” and for sub-paragraph (3) substitute—
- “ (3) If the company has subsidiary undertakings, the report shall—
- (a) deal separately with the company’s profits or losses as provided by sub-paragraph (2), and in addition deal either—
- (i) as a whole with the combined profits or losses of its subsidiary undertakings, so far as they concern members of the company, or
- (ii) individually with the profits or losses of each of its subsidiary undertakings, so far as they concern members of the company,
- or, instead of dealing separately with the company’s profits or losses, deal as a whole with the profits or losses of the company and (so far as they concern members of the company) with the combined profits and losses of its subsidiary undertakings; and
- (b) deal separately with the company’s assets and liabilities as provided by sub-paragraph (2), and in addition deal either—
- (i) as a whole with the combined assets and liabilities of its subsidiary undertakings, with or without the company’s assets and liabilities, or
- (ii) individually with the assets and liabilities of each of its subsidiary undertakings,
- indicating, as respects the assets and liabilities of its subsidiary undertakings, the allowance to be made for persons other than members of the company.”.
- (3) For paragraph 18 (accountants' reports) substitute—
- “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

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*Status: This is the original version (as it was originally enacted).*

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- (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—
    - (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.”.
- (4) In paragraph 22 (eligibility of accountants to make reports), for sub-paragraph (2) substitute—
- “(2) Such a report shall not be made by an accountant who is an officer or servant, or a partner of or in the employment of an officer or servant, of—
- (a) the company or any of its subsidiary undertakings,
  - (b) a parent undertaking of the company or any subsidiary undertaking of such an undertaking.”.