



Companies Act 2006

2006 CHAPTER 46

PART 23

DISTRIBUTIONS

CHAPTER 3

SUPPLEMENTARY PROVISIONS

Distributions in kind

845 Distributions in kind: determination of amount

- (1) This section applies for determining the amount of a distribution consisting of or including, or treated as arising in consequence of, the sale, transfer or other disposition by a company of a non-cash asset where—
 - (a) at the time of the distribution the company has profits available for distribution, and
 - (b) if the amount of the distribution were to be determined in accordance with this section, the company could make the distribution without contravening this Part.
- (2) The amount of the distribution (or the relevant part of it) is taken to be—
 - (a) in a case where the amount or value of the consideration for the disposition is not less than the book value of the asset, zero;
 - (b) in any other case, the amount by which the book value of the asset exceeds the amount or value of any consideration for the disposition.
- (3) For the purposes of subsection (1)(a) the company's profits available for distribution are treated as increased by the amount (if any) by which the amount or value of any consideration for the disposition exceeds the book value of the asset.
- (4) In this section “book value”, in relation to an asset, means—

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (a) the amount at which the asset is stated in the relevant accounts, or
 - (b) where the asset is not stated in those accounts at any amount, zero.
- (5) The provisions of Chapter 2 (justification of distribution by reference to accounts) have effect subject to this section.

Annotations:

Commencement Information

- II** S. 845 wholly in force at 6.4.2008; s. 845 not in force at Royal Assent see s. 1300; s. 845 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(k\)](#) (with savings in [arts. 7, 12](#) and subject to transitional adaptations in [Sch. 1 paras. 14-20](#) and with savings in [Sch. 4 paras. 33-35](#))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision SI 2008/373 reg. 11 by [S.I. 2017/1164 reg. 11](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)
- s. 444(8) inserted by [S.I. 2017/1164 Sch. 1 para. 8](#)
- s. 444A(4A) inserted by [S.I. 2017/1164 Sch. 1 para. 9](#)
- s. 445(6A) inserted by [S.I. 2017/1164 Sch. 1 para. 10](#)
- s. 446(4A) inserted by [S.I. 2017/1164 Sch. 1 para. 11](#)
- s. 447(5) inserted by [S.I. 2017/1164 Sch. 1 para. 12](#)
- s. 463(1)(d) inserted by [S.I. 2017/1164 Sch. 1 para. 13\(a\)\(ii\)](#)
- s. 474(1)(a) amendment to earlier affecting provision SI 2017/701 Sch. 4 para. 9(2) (b) by [S.I. 2017/1255 reg. 37](#)
- s. 474(1)(b) amendment to earlier affecting provision SI 2017/701 Sch. 4 para. 9(2) (c) by [S.I. 2017/1255 reg. 37](#)
- s. 474(1)(b) substituted by [S.I. 2017/1255 reg. 7\(a\)](#)
- s. 474(1)(c) word substituted by [S.I. 2017/1255 reg. 7\(b\)](#)
- s. 486A applied (with modifications) by SI 2008/565 reg. 6(1)(1A) (as substituted) by [S.I. 2017/1164 Sch. 2 para. 6\(a\)](#)
- s. 486A inserted by [S.I. 2017/1164 Sch. 1 para. 16](#)
- s. 490A inserted by [S.I. 2017/1164 Sch. 1 para. 19](#)
- s. 1099(3)(f)(g) inserted by [S.I. 2017/1233 art. 2](#)
- s. 1221(1A)(1B) substituted for s. 1221(1A) by [S.I. 2017/1164 Sch. 1 para. 21\(a\)](#)
- s. 1221(7C)(7D) inserted by [S.I. 2017/1164 Sch. 1 para. 21\(e\)](#)
- Sch. 10 para. 7A inserted by [S.I. 2017/1164 Sch. 1 para. 22](#)