

SCHEDULE

THE TEES AND HARTLEPOOL PORT AUTHORITY SCHEME 1991

Dividend by Successor Company before laying or delivery of accounts

7.—(1) Where it is proposed to declare a distribution during the accounting reference period of the Successor Company which includes the transfer date, or before any accounts are laid or delivered to the registrar of companies in respect of that period, sections 270 to 276 of the Companies Act 1985⁽¹⁾ (relevant accounts for determining whether a distribution is lawful) shall apply in relation to the distribution as if—

- (a) such accounts as are mentioned in sub-paragraph (2) below were accounts relevant under section 270; and
- (b) references in section 273 to initial accounts included references to any such accounts.

(2) The accounts referred to in sub-paragraph (1)(a) and (b) above are such accounts as, on the assumptions stated in sub-paragraph (3) below, would have been prepared under Part VII of the Companies Act 1985⁽²⁾ in respect of the relevant year.

(3) Those assumptions are—

- (a) that the relevant year had been a financial year of the Successor Company;
- (b) that the transfer effected by section 2(2) of the 1991 Act had been a vesting of all the property, rights, liabilities and functions to which the Authority were entitled or subject immediately before the beginning of the relevant year and had been effected immediately after the beginning of that year;
- (c) that the value of any asset and the amount of any liability of the Authority transferred to the Successor Company by virtue of the said section 2(2) had been the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the statement of accounts prepared by the Authority in respect of their financial year immediately preceding the relevant year;
- (d) that any securities of the Successor Company issued or allotted on any terms before the declaration of the distribution has been issued or allotted on those terms before the end of the relevant year; and
- (e) such other assumptions (if any) as may appear to the directors of the Successor Company to be necessary or expedient for the purposes of this paragraph.

(4) For the purposes of such accounts as are mentioned in sub-paragraph (2) above the amount to be included in respect of any item shall be determined as if anything done by the Authority (whether by way of acquiring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the Successor Company.

Accordingly (but without prejudice to the generality of the preceding provision) the amount to be included in any reserves of the Successor Company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Authority has been realised and retained by the Successor Company.

(5) Any such accounts shall not be regarded as statutory accounts for the purposes of paragraph 4 or 6 above.

(6) In this paragraph—

“the relevant year” means the last financial year of the Authority before the transfer date; and

(1) Section 271, 272, 273, and 276 were amended by the Companies Act 1989, Schedule 10, paragraphs 4, 5, 6 and 7.

(2) Part VII consists of sections 221 to 262A, which were inserted by the Companies Act 1989

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“financial year”, in relation to the Authority, has the meaning given by paragraph 4 above.