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**Changes to legislation:** Gas Act 1986, Paragraph 41 is up to date with all changes known to be in force on or before 31 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## SCHEDULES

### SCHEDULE 8

#### TRANSITIONAL PROVISIONS AND SAVINGS

##### PART II

###### PROVISIONS AND SAVINGS COMING INTO FORCE ON TRANSFER DATE

- 41 (1) Where a distribution is proposed to be declared during the accounting reference period of the successor company which includes the transfer date or before any accounts are laid or filed in respect of that period, sections 270 to 276 of the <sup>M1</sup>Companies Act 1985 (accounts relevant for determining whether a distribution may be made by a company) shall have effect as if—
- (a) references in section 270 to the company's accounts or to accounts relevant under that section; and
  - (b) references in section 273 to initial accounts,
- included references to such accounts as, on the assumptions stated in subparagraph (2) below, would have been prepared under section 227 of that Act in respect of the relevant year.
- (2) The said assumptions are—
- (a) that the relevant year had been a financial year of the successor company;
  - (b) that the vesting effected by section 49 of this Act had been a vesting of all the property, rights and liabilities (other than any rights or liabilities which vest in the Treasury by virtue of section 50 of this Act) to which the Corporation was entitled or subject immediately before the beginning of the relevant year and had been effected immediately after the beginning of that year;
  - (c) after the value of any asset and the amount of any liability of the Corporation vested in the successor company by virtue of that section had been the value or (as the case may be) the amount assigned to that asset or liability for the purposes of that statement of accounts prepared by the Corporation in respect of the financial year immediately preceding the relevant year;
  - (d) that any securities of the successor company issued or allotted before the declaration of the distribution had been issued or allotted 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.
- (3) For the purposes of the said accounts the amount to be included in respect of any item shall be determined as if anything done by the Corporation (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.

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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 Corporation had been realised and retained by the successor company.

(4) The said accounts shall not be regarded as statutory accounts for the purposes of section 55 of this Act.

(5) In this paragraph—

“complete financial year” means a financial year ending with 31st March;

“the relevant year” means the last complete financial year of the Corporation ending before the transfer date;

“securities” has the same meaning as in Part II of this Act.

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**Marginal Citations**

**M1** 1985 c. 6.

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

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

- s. 5(e) and word inserted by [2023 c. 52 s. 185\(3\)](#)
- s. 5(1)(ca) inserted by [2023 c. 52 s. 168\(2\)\(b\)](#)
- s. 5(10A) inserted by [2023 c. 52 s. 168\(2\)\(c\)](#)
- s. 5(11A)(11B) inserted by [2023 c. 52 s. 185\(4\)](#)
- s. 7B(5FA) inserted by [2023 c. 52 s. 185\(13\)](#)
- s. 7AC inserted by [2023 c. 52 s. 185\(6\)](#)
- s. 8AA(11B) inserted by [2023 c. 52 s. 185\(14\)](#)
- s. 15A inserted by [1992 c. 43 s. 17](#)
- s. 23D(2)(d) and word inserted by [2013 c. 32 s. 138\(4\)\(c\)\(iii\)](#)
- s. 27(1ZA)(aa) inserted by S.I. 2019/93, Sch. 1 para. 2(2)(b) (as substituted) by [S.I. 2019/1245 reg. 17](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)
- s. 28(8A) inserted by [2023 c. 52 Sch. 14 para. 3\(3\)](#)
- s. 41E(6)(d) and word inserted by [2013 c. 32 s. 138\(4\)\(f\)\(ii\)](#)
- Sch. 4B para. 9B and cross-heading inserted by [2023 c. 52 Sch. 14 para. 4](#)