



Broadcasting Act 1990

1990 CHAPTER 42

PART IV

TRANSFER OF UNDERTAKINGS OF IBA AND CABLE AUTHORITY

Provisions relating to nominated company

138 Reserves of nominated company.

- (1) If the Secretary of State so directs at any time before the nominated company ceases to be wholly owned by the Crown, such sums as may be specified in the direction shall, instead of being applied in any other way, be carried by the company to a reserve (“the statutory reserve”).
- (2) The statutory reserve may only be applied by the nominated company in paying up unissued shares of the company to be allotted to members of the company as fully paid bonus shares.
- (3) Notwithstanding subsection (2), the statutory reserve shall not count as an undistributable reserve of the nominated company for the purposes of [^{F1}section 831(4)(d) of the Companies Act 2006] (restriction on distribution of assets); but, for the purpose of determining under that section whether the nominated company may make a distribution at any time, any amount for the time being standing to the credit of the statutory reserve shall be treated for the purposes of [^{F2}section 831(4)(c)] as if it were unrealised profits of the company.

Textual Amendments

- F1** Words in s. 138(3) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 175\(a\)](#) (with arts. 6, 11, 12)
- F2** Words in s. 138(3) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 175\(b\)](#) (with arts. 6, 11, 12)

Changes to legislation:

There are currently no known outstanding effects for the Broadcasting Act 1990, Section 138.