

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Cross Heading: Arrangements attracting merger relief. (See end of Document for details)*

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 5

#### DISCLOSURE OF INFORMATION: RELATED UNDERTAKINGS]

##### Textual Amendments

- F1** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

##### Modifications etc. (not altering text)

- C1** Sch. 5 applied with modifications by S.I. 1985/680, regs. 4–6, **Sch.**  
Sch. 5 extended (with modifications) (E.W.S.) (19.12.1993) by S.I. 1993/3245, reg. 3(3)(e) (as amended (1.10.2005) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) (Amendment) Regulations 2005 (S.I. 2005/1985), **reg. 2(2)(b)**)

### PART I

#### COMPANIES NOT REQUIRED TO PREPARE GROUP ACCOUNTS

*[<sup>F1</sup> Arrangements attracting merger relief]*

##### Textual Amendments

- F1** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

- 10 (1) This paragraph applies to arrangements attracting merger relief, that is, where a company allots shares in consideration for the issue, transfer or cancellation of shares in another body corporate (“the other company”) in circumstances such that section 130 of this Act (share premium account) does not, by virtue of section 131(2) (merger relief), apply to the premiums on the shares.
- (2) If the company makes such an arrangement during the financial year, the following information shall be given—
- the name of the other company,
  - the number, nominal value and class of shares allotted,
  - the number, nominal value and class of shares in the other company issued, transferred or cancelled, and
  - particulars of the accounting treatment adopted in the company’s accounts in respect of the issue, transfer or cancellation.

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- (3) Where the company made such an arrangement during the financial year, or during either of the two preceding financial years, and there is included in the company's profit and loss account—
- (a) any profit or loss realised during the financial year by the company on the disposal of—
    - (i) any shares in the other company, or
    - (ii) any assets which were fixed assets of the other company or any of its subsidiary undertakings at the time of the arrangement, or
  - (b) any part of any profit or loss realised during the financial year by the company on the disposal of any shares (other than shares in the other company) which was attributable to the fact that there were at the time of the disposal amongst the assets of the company which issued the shares, or any of its subsidiary undertakings, such shares or assets as are described in paragraph (a) above,
- then, the net amount of that profit or loss or, as the case may be, the part so attributable shall be shown, together with an explanation of the transactions to which the information relates.
- (4) For the purposes of this paragraph the time of the arrangement shall be taken to be—
- (a) where as a result of the arrangement the other company becomes a subsidiary undertaking of the company, the date on which it does so or, if the arrangement in question becomes binding only on the fulfilment of a condition, the date on which that condition is fulfilled;
  - (b) if the other company is already a subsidiary undertaking of the company, the date on which the shares are allotted or, if they are allotted on different days, the first day.

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