



# Companies Act 2006

## 2006 CHAPTER 46

### PART 23 U.K.

#### DISTRIBUTIONS

### CHAPTER 2 U.K.

#### JUSTIFICATION OF DISTRIBUTION BY REFERENCE TO ACCOUNTS

##### *Requirements applicable in relation to relevant accounts*

#### **839 Requirements where initial accounts used U.K.**

- (1) Initial accounts must be accounts that enable a reasonable judgment to be made as to the amounts of the items mentioned in section 836(1).
- (2) Where initial accounts are prepared for a proposed distribution by a public company, the following requirements apply.
- (3) The accounts must have been properly prepared, or have been so prepared subject to matters that are not material for determining (by reference to the items mentioned in section 836(1)) whether the distribution would contravene this Part.
- (4) “Properly prepared” means prepared in accordance with sections 395 to 397 (requirements for company individual accounts), applying those requirements with such modifications as are necessary because the accounts are prepared otherwise than in respect of an accounting reference period.
- (5) The company's auditor must have made a report stating whether, in his opinion, the accounts have been properly prepared.
- (6) If that report was qualified—
  - (a) the auditor must have stated in writing (either at the time of his report or subsequently) whether in his opinion the matters in respect of which his

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Section 839. (See end of Document for details)*

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report is qualified are material for determining whether a distribution would contravene this Part, and

[<sup>F1</sup>(b) a copy of that statement must have been laid before the company in general meeting.]

(7) A copy of the accounts, of the auditor's report and of any auditor's statement must have been delivered to the registrar.

Any requirement of Part 35 of this Act as to the delivery of a certified translation into English of any of those documents must also have been met.

#### Textual Amendments

**F1** S. 839(6)(b) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 2(1), **Sch. 1 para. 260(4)** (with art. 10)

#### Commencement Information

**I1** S. 839 wholly in force at 6.4.2008; s. 839 not in force at Royal Assent see s. 1300; s. 839 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](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 2006, Section 839.