**1983 No. 314**

**COMPANIES**

# The Companies (Accounts) Regulations (Northern Ireland) 1983

*Made . . . . . 10th October 1983*

*Coming into operation . . . 28th November 1983*

*To be laid before Parliament under paragraph 3(3) of Schedule 1 to the Northern Ireland Act 1974.*

The Department of Economic Development, in exercise of the powers conferred by section 398(1)(**a**) of the Companies Act (Northern Ireland) 1960(**b**) and now vested in it(**c**) and of every other power enabling it in that behalf, hereby makes the following regulations:

*Citation, commencement and interpretation*

**1.**—(1) These regulations may be cited as the Companies (Accounts) Regulations (Northern Ireland) 1983 and shall come into operation on 28th November 1983.

(2) In these regulations—

"Schedule 6" means Schedule 6 to the Companies Act (Northern Ireland) 1960(**d**); and

"Schedule 6A" means Schedule 6A to that Act(**e**).

*Accounting in cases of merger relief*

**2.**—(1) The following Part shall be inserted in Schedule 6 immediately after Part V of that Schedule as Part VA—

"PART VA

SPECIAL PROVISIONS WHERE THE COMPANY HAS ENTERED INTO ARRANGEMENTS SUBJECT TO MERGER RELIEF

74A.—(1) Where during the financial year the company has allotted shares in consideration for the issue, transfer or cancellation of shares in another body corporate ("the other company") in circumstances where by virtue of Article 38(2) of the Companies (Northern Ireland) Order 1982 (merger relief) section 56 did not apply to the premiums on those shares, the following information shall be given by way of a note to the company's accounts—

(*a*) the name of the other company;

(*b*) the number, nominal value and class of shares so allotted;

(*c*) the number, nominal value and class of shares in the other company so issued, transferred or cancelled;

(*d*) particulars of the accounting treatment adopted in the company's accounts (including any group accounts) in respect of such issue, transfer or cancellation; and

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(**a**) As substituted by S.I. 1982/1534 (N.I. 17) Art. 20(1)
(**b**) 1960 c. 22 (N.I.)
(**c**) By S.I. 1982/846 (N.I. 11) Art. 4
(**d**) As inserted by S.I. 1982/1534 (N.I. 17) Art. 3(2)
(**e**) The Schedule which was formerly Schedule 6 to the Companies Act (Northern Ireland) 1960 was re-numbered Schedule 6A by S.I. 1982/1534 (N.I. 17) Art. 3(2)

(*e*) where the company prepares group accounts, particulars of the extent to which and manner in which the profit or loss for the year of the group which appears in those accounts is affected by any profit or loss of the other company or any of its subsidiaries which arose at any time before the allotment.

(2) Where the company has during the financial year or during either of the two financial years immediately preceding it made such an allotment of shares as is mentioned in sub-paragraph (1) and there is included in the company's consolidated profit and loss account or, if it has no such account, in its individual profit and loss account, any profit or loss (or part thereof) to which this sub-paragraph applies then the net amount of any such profit or loss (or part thereof) shall be shown in a note to the accounts together with an explanation of the transactions to which that information relates.

(3) Sub-paragraph (2) applies—

(*a*) to any profit or loss realised during the financial year by the company, or any of its subsidiaries, on the disposal of any shares in the other company or of any assets which were fixed assets of the other company, or of any of its subsidiaries, at the time of the allotment; and

(*b*) to any part of any profit or loss realised during the financial year by the company, or any of its subsidiaries, on the disposal of any shares (not being shares in the other company), which was attributable to the fact that at the time of the disposal there were amongst the assets of the company which issued those shares, or any of its subsidiaries, such shares or assets as are described in head (*a*).''.

(2) The Part inserted in Schedule 6 as Part VA by paragraph (1) shall also be inserted in Schedule 6A immediately after Part III as Part IIIA, and for that purpose the paragraph which constitutes it shall be re-numbered as paragraph 26A accordingly.

Sealed with the Official Seal of the Department of Economic Development for Northern Ireland on 10th October 1983.

(L.S.) *W. T. McCrory*
Assistant Secretary

## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

These regulations require a company which enters into an arrangement for the acquisition of shares in another company to which Article 38 of the Companies (Northern Ireland) Order 1982 (merger relief) applies—

(*a*) to disclose certain particulars of the transaction and of the profits and losses of the other company in the accounts of the company prepared in respect of the financial year in which the acquisition took place; and

(*b*) in certain cases to disclose particulars of—

(i) disposals of fixed assets of, and shares in, the other company; and

(ii) disposals of shares in other companies holding such assets or shares in the accounts prepared for that financial year and the two immediately following financial years.