

## Division financial statement

1156. (1) Subject to subsections (6) and (8), where the latest statutory financial statements of any of the companies involved in the division relate to a financial year ended more than 6 months before the date of the common draft terms of division then that company shall prepare a division financial statement in accordance with the provisions of this section.

(2) The division financial statement shall be drawn up—

(a) in the format of the last annual balance sheet, if any, of the company and in accordance with the provisions of Part 6; and

(b) as at a date not earlier than the first day of the third month preceding the date of the common draft terms of division.

(3) Valuations shown in the last annual balance sheet, if any, shall, subject to the exceptions provided for under subsection (4), only be altered to reflect entries in the accounting records of the company.

(4) Notwithstanding subsection (3), the following shall be taken into account in preparing the division financial statement—

(a) interim depreciation and provisions; and

(b) material changes in actual value not shown in the accounting records.

(5) The provisions of Part 6 relating to the statutory auditor's report on the last statutory financial statements of the company concerned shall apply, with any necessary modifications, to the division financial statement required of the company by subsection (1).

(6) This section shall not apply in relation to a company involved in a division which makes public a half-yearly financial report covering the first 6 months of its financial year pursuant to the provision referred to in subsection (7) if that company makes that report available for inspection pursuant to section 1158.

(7) The provision referred to in subsection (6) is, as appropriate—

(a) Regulation 6 of the Transparency (Directive 2004/109/EC) Regulations 2007 ) which regulations are continued in force by Schedule 6; or

(b) if regulations under section 1380 are made and those regulations—

(i) replace the regulations referred to in paragraph (a) — the provision of those replacement regulations corresponding to the foregoing Regulation 6; or

(ii) amend the foregoing Regulation 6 — that Regulation as it stands so amended.

(8) This section shall not apply to a company involved in a division if the following condition is, or (as appropriate) the following 2 conditions are, satisfied:

(a) other than in a case falling within paragraph (b), all of the holders of shares conferring the right to vote at general meetings of the company have agreed that this section shall not apply; or

(b) where a requirement for the taking effect of a vote (whether a vote generally or of the type to which this subsection applies) by holders of shares of the company is that a holder of securities of the company has consented thereto—

(i) the agreement mentioned in paragraph (a) exists; and

(ii) all of the holders of securities in respect of which the requirement mentioned in this paragraph operates have agreed that this section shall not apply.