



Horserace Betting and Olympic Lottery Act 2004

2004 CHAPTER 25

PART 1

SALE OF THE TOTE

Operation of successor company

5 Pre-sale issue of shares, &c. to government

- (1) The successor company shall comply with any request of the Secretary of State to issue securities to—
 - (a) the Secretary of State, or
 - (b) a person nominated by the Secretary of State.
- (2) A request under subsection (1) may include provision about—
 - (a) the nature and nominal value of securities to be issued;
 - (b) timing;
 - (c) terms of issue.
- (3) A request under subsection (1) requiring the issue of shares shall specify the nominal value of the shares to be issued; and the shares—
 - (a) shall be issued as fully paid,
 - (b) shall be treated for the purposes of the Companies Act 1985 (c. 6) as having been paid up by virtue of payment of their nominal value in cash, and
 - (c) shall be treated for the purposes of the Corporation Tax Acts as if they had been issued wholly in consideration of a subscription of an amount equal to their nominal value.
- (4) A debenture issued in accordance with a request under subsection (1) shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in

consideration of a loan of an amount equal to the principal sum payable under the debenture.

- (5) A request under subsection (1)—
 - (a) may be made before, on or after the appointed day, but
 - (b) may not be made after the successor company has ceased to be wholly owned by the Crown.
- (6) The Secretary of State shall not make a request under subsection (1) without the consent of the Treasury.
- (7) Where a security is issued in accordance with a request under subsection (1) to the Secretary of State or his nominee, neither the Secretary of State nor his nominee may dispose of the security without the consent of the Treasury.

6 Accounts

- (1) This section applies for the purposes of statutory accounts prepared by the successor company.
- (2) The transfer effected by section 2(1) shall be treated as having—
 - (a) occurred immediately after the end of the last complete accounting year of the Horserace Totalisator Board, and
 - (b) transferred all property, rights and liabilities to which the Board was entitled or subject immediately before the end of that year.
- (3) For the purpose of subsection (2)(b) in its application to accounts of the successor company the value of an asset, or the amount of a liability, on transfer shall be taken as the value or amount assigned for the purposes of the corresponding accounts of the Board for its last complete accounting year.
- (4) The amount to be included in the accounts in respect of an asset or liability shall be determined as if anything done by the Board had been done by the successor company.
- (5) An amount included in the accounts for the Board's last complete accounting year as accumulated realised profits retained by the Board shall be treated as if realised and retained by the successor company.
- (6) Before the preparation of the successor company's first set of statutory accounts for a complete accounting year, sections 270 to 276 of the Companies Act 1985 (c. 6) (distribution: justification by reference to accounts) shall apply as if the successor company had prepared accounts for the relevant period in accordance with the preceding provisions of this section.
- (7) In this section "statutory accounts" means accounts prepared for the purpose of a provision of the Companies Act 1985.

7 Shadow directors

While the successor company is wholly owned by the Crown, neither the Secretary of State nor the Treasury shall be treated as a shadow director of the successor company for the purpose of any provision of the Companies Act 1985.