

SCHEDULES

SCHEDULE 5

TAX TREATMENT OF FINANCING COSTS AND INCOME

17 In section 348 (non-existent financial statements of the worldwide group), after subsection (5) insert—

“(6) Subsection (7) applies if—

- (a) financial statements of the worldwide group are drawn up in respect of a period (“the whole period”), but
- (b) the worldwide group was in existence for only part of that period (“the relevant part”).

(7) For the purposes of this Part (other than subsection (7))—

- (a) those statements are to be ignored, and
- (b) subsections (2) to (5) apply to the relevant part as they apply to the relevant period,

(and, accordingly, neither the whole period nor the remainder of it is to be treated as a period of account of the worldwide group to which this Part applies).”