

Particular requirements for registration of body corporate as a PLC

1317. (1) A body corporate may be registered under this Chapter as a PLC if, in addition to the preceding section and section 1318 being complied with, the following requirements are complied with—

(a) the body corporate delivers, with the application under section 1316 (6), the following documents to the Registrar—

(i) a copy of a balance sheet of the body prepared as at a date not more than 7 months before the date of receipt by the Registrar of the application,

(ii) an unqualified report by the body's statutory auditors on that balance sheet,

(iii) a copy of a written statement by those auditors that, at the balance sheet date, the amount of the body's net assets was not, in their opinion, less than the aggregate of its called-up share capital and undistributable reserves,

(iv) a copy of any report prepared under section 1318, and

(v) a statement by a director or secretary of the body confirming—

(I) that the requirements of section 1318 and section 1319 (2) (where applicable) have been complied with, and

(II) that, between the balance sheet date and the date of the making by the body of application for registration, there has been no change in the financial position of the body that has resulted in the amount of the body's net assets becoming less than the aggregate of its called-up share capital and undistributable reserves,

and

(b) where the liability of the members of the body is unlimited, the registration resolution includes a statement that the liability of the members of the proposed company is to be limited by shares and specifying what is to be the authorised share capital of the proposed company and the fixed amount of the shares into which that share capital is to be divided.

(2) The Registrar may accept a statement under paragraph (a)(v) of subsection (1) as sufficient evidence that the requirements referred to in clause (I) of that provision have been complied with.

(3) The Registrar shall not, on foot of the application to register a body corporate under this Chapter as a PLC, issue a certificate of incorporation under section 1323 if it appears to the Registrar that—

(a) by, either of the means specified in section 84 (2)(b), a reduction of the body's capital has taken

place after the date of the passing of the registration resolution, and

(b) the reduction has the effect of bringing the nominal value of the body's allotted share capital below the authorised minimum.

(4) A qualification shall be treated for the purposes of the definition of an “unqualified report” in subsection (7) as being not material in relation to any balance sheet if, but only if, the person making the report states in writing that the thing giving rise to the qualification is not material for the purposes of determining, by reference to that balance sheet, whether, at the balance sheet date, the amount of the body corporate's net assets was not less than the aggregate of its called-up share capital and undistributable reserves.

(5) For the purposes of the making, in relation to the foregoing balance sheet, of a report falling within the definition of an “unqualified report” in subsection (7), section 290 and the other relevant provisions of Part 6 (so far as applicable to balance sheets as distinct from the other elements of financial statements) shall be deemed to have effect in relation to that balance sheet with the following modifications.

(6) Those modifications are such modifications as are necessary by reason of the fact (if such is the case) that that balance sheet is prepared otherwise than in respect of a financial year.

(7) In this section—

“undistributable reserves” has the same meaning as in section 1082;

“unqualified report” means, in relation to the balance sheet of a body corporate, a report stating without material qualification—

(a) that, in the opinion of the person making the report, the balance sheet complies with section 290 and the other relevant provisions of Part 6 (so far as applicable to balance sheets as distinct from the other elements of financial statements); and

(b) without prejudice to paragraph (a), that in the opinion of that person, the balance sheet gives a true and fair view of the body's assets, liabilities and equity as at the balance sheet date.