

Declaration to be made in the case of a reduction in company capital or variation of company capital on reorganisation

204. (1) Where the restricted activity is a reduction in company capital referred to in section 84 (1) or a transfer or disposal referred to in section 91 (1), the declaration shall state—

- (a) the circumstances in which the transaction or arrangement is to be entered into;
- (b) the nature of the transaction or arrangement;
- (c) the person or persons to or for whom the transaction or arrangement is to be made;
- (d) the total amount of the company's assets and liabilities as at the latest practicable date before the date of making of the declaration and in any event at a date not more than 3 months before the date of that making;
- (e) the anticipated total amount of the company's assets and liabilities immediately after the restricted activity having taken place;
- (f) that the declarants have made a full inquiry into the affairs of the company and that, having done so, they have formed the opinion that the company, after the restricted activity has taken place, will be able to pay or discharge its debts and other liabilities (being the debts and liabilities identified for the purposes of paragraph (d) and so far as not already paid or discharged) in full as they fall due during the period of 12 months after the date of that event; and
- (g) that the declarants do not have actual or constructive notice that the company will incur any material, extraordinary, future liability within the period of 12 months after the date of the making of the declaration.

(2) A copy of the declaration under this section shall be delivered to the Registrar not later than 21 days after the date on which the carrying on of the restricted activity concerned is commenced; if a failure to comply with this subsection occurs, a like power to that under section 203 (4) is available to the court to declare valid for all purposes the carrying on of the activity.