

Audit exemption (group situation) not available unless annual return filed in time

364. (1) In this section—

(a) a reference to each of the relevant bodies is a reference to each of the holding company and the other members of the group (but this paragraph is subject to subsection (6)),

(b) “preceding financial year” means the financial year preceding the financial year referred to in subsection (2).

(2) Notwithstanding that section 359 is complied with, a holding company and the other members of the group are not entitled to the audit exemption referred to in that section in a financial year unless—

(a) there is delivered to the Registrar, in compliance with section 343, the annual return of each of the relevant bodies to which the particular relevant body's statutory financial statements or (as appropriate) abridged financial statements for that financial year are annexed, and

(b) if the annual return referred to in paragraph (a) is not the first annual return of each of the relevant bodies, the condition specified in subsection (3) or (4), as the case may be, is satisfied.

(3) If the annual return referred to in paragraph (a) of subsection (2) is not the first annual return of any of the relevant bodies, the condition referred to in paragraph (b) of that subsection is that there has been delivered to the Registrar, in compliance with section 343, the annual return of each of the relevant bodies to which the particular relevant body's statutory financial statements or (as appropriate) abridged financial statements for the preceding financial year were annexed.

(4) If the annual return referred to in paragraph (a) of subsection (2) is the first annual return of one or more, but not all, of the relevant bodies, the condition referred to in paragraph (b) of that subsection is that there has been delivered to the Registrar, in compliance with section 343, the annual return of each of the relevant bodies (excluding any of them the annual return of which is its first annual return) to which the particular relevant body's statutory financial statements or (as appropriate) abridged financial statements for the preceding financial year were annexed.

(5) In the case of—

(a) the annual return thirdly mentioned in subsection (2)(a), if that return is the company's or other member's first annual return, subsection (2)(a) shall have effect (in relation to the company or other member) as if the reference to statutory financial statements or abridged financial statements being annexed to that return were omitted,

(b) the annual return to which the condition referred to in subsection (3) or (4) applies (namely the annual return to which statutory financial statements or abridged financial statements for the preceding financial year are to be annexed) if that annual return is the relevant body's first annual return,

subsection (3) or (4), as the case may be, shall have effect (in relation to the relevant body) as if the reference to statutory financial statements or abridged financial statements being annexed to that return were omitted.

(6) There shall not be reckoned as another member of the group for the purposes of this section (other than for the purposes of the expression "other members of the group" in subsection (2)) a subsidiary undertaking that is not a company registered under this Act or an existing company and the construction provided for by subsection (1)(a) (of references to each of the relevant bodies) shall be read accordingly.