

## Resignation of statutory auditors: general

400. (1) Statutory auditors of a company may, by a notice in writing that complies with subsection (3) served on the company and stating their intention to do so, resign from the office of statutory auditors to the company.

(2) The resignation shall take effect on the date on which the notice is so served or on such later date as may be specified in the notice.

(3) A notice under subsection (1) shall contain either—

(a) a statement to the effect that there are no circumstances connected with the resignation to which it relates that the statutory auditors concerned consider should be brought to the notice of the members or creditors of the company, or

(b) a statement of any such circumstances as mentioned in paragraph (a).

(4) Where a notice under subsection (1) is served on a company—

(a) the statutory auditors concerned shall, within 14 days after the date of such service, send a copy of the notice to the Registrar, and

(b) subject to subsection (5), the company shall, if the notice contains a statement referred to in subsection (3)(b), not later than 14 days after the date of such service, send a copy of the notice to every person who is entitled under section 338 to be sent copies of the documents referred to in that section.

(5) Copies of a notice served on a company under subsection (1) need not be sent to the persons specified in subsection (4)(b) if, on the application of the company concerned or any other person who claims to be aggrieved, the court is satisfied that the notice contains material which has been included to secure needless publicity for defamatory matter and orders that that thing need not be done.

(6) The court may order the company's costs on such an application to be paid in whole or in part by the statutory auditors concerned notwithstanding that they are not a party to the application.

(7) This section shall also apply to a notice given by statutory auditors referred to in section 383 (2)(c) indicating their unwillingness to be re-appointed and, accordingly, for that purpose this section shall have effect as if—

(a) the following subsection were substituted for subsection (1):

“(1) Statutory auditors of a company may, by a notice in writing that complies with subsection (3) and which is served on the company, indicate their unwillingness to be re-appointed as statutory auditors to the company.”,

(b) subsection (2) were omitted, and

(c) the reference to the statutory auditors' resignation in subsection (3) were a reference to the indication of their unwillingness to be re-appointed.

(8) A person who fails to comply with—

(a) subsection (3) or (4)(a), or

(b) either such provision as it applies by virtue of subsection (7),

shall be guilty of a category 3 offence.

(9) If default is made in complying with subsection (4)(b) or that provision as it applies by virtue of subsection (7), the company concerned and any officer of it who is in default shall be guilty of a category 3 offence.

(10) In subsection (9) “officer” includes any shadow director and de facto director.