

Particular requirements for re-registration of company as a PLC

1291. (1) A company may be re-registered as a PLC if, in addition to compliance by the company with the relevant Chapter 2 requirements and section 1292, the following requirements are complied with—

(a) the company delivers the following documents to the Registrar:

(i) a copy of a balance sheet of the company prepared as at a date not more than 7 months before the date on which the application for re-registration is received by the Registrar;

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

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

(iv) a copy of any report prepared under section 1292,

(b) the statement of compliance includes a statement by a director or secretary of the company confirming that, between the balance sheet date and the date of the making by the company of the application for re-registration, there has been no change in the financial position of the company that has resulted in the amount of the company's net assets becoming less than the aggregate of its called-up share capital and undistributable reserves, and

(c) where the company is an unlimited company, the special resolution required by section 1285 (1)(a) includes a statement that the liability of the members of the resultant company is to be limited by shares and specifying what is to be the authorised share capital of the resultant company and the fixed amount of the shares into which that share capital is to be divided.

(2) The Registrar shall not, on foot of the application to re-register a company as a PLC, issue a certificate of incorporation under section 1285 (6) if it appears to the Registrar that—

(a) by, either of the means specified in section 84 (2), a reduction of the company's company capital has taken place after the date of the passing of the special resolution that the company should be re-registered as a PLC, and

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

(3) A qualification shall be treated for the purposes of the definition of an “unqualified report” in subsection (6) 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

company's net assets was not less than the aggregate of its called-up share capital and undistributable reserves.

(4) 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 (6), 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.

(5) 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.

(6) In this section—

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

“unqualified report” means, in relation to the balance sheet of a company, 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 company's assets, liabilities and equity as at the balance sheet date.