

Right of members to require audit despite audit exemption otherwise being available

334. (1) Any member or members of a company holding shares in the company that confer, in aggregate, not less than one-tenth of the total voting rights in the company may serve a notice in writing on the company stating that that member or those members do not wish the audit exemption to be available to the company in a financial year specified in the notice.

(2) A notice under subsection (1) may be served on the company either—

(a) during the financial year immediately preceding the financial year to which the notice relates, or

(b) during the financial year to which the notice relates (but not later than 1 month before the end of that year).

(3) The reference in subsection (1) to a voting right in a company shall be read as a reference to a right exercisable for the time being to cast, or to control the casting of, a vote at general meetings of members of the company, not being such a right that is exercisable only in special circumstances.

(4) For the avoidance of doubt, the reference in subsection (1) to the one or more members not wishing the audit exemption to be available to the company in a specified financial year is, if the company is a subsidiary undertaking, a reference to their not wishing the audit exemption to be available to the subsidiary undertaking irrespective of whether its holding company and any other undertakings in the group avail themselves of the audit exemption in that year.

(5) In this section “audit exemption” does not include the dormant company audit exemption referred to in section 365.