

Supplemental provisions in relation to section 1358

1359. (1) Subsection (2) applies where either—

(a) shares have been allotted in contravention of section 1358 (1); or

(b) the conditions referred to in section 1358 (2) have not been satisfied on the expiration of 40 days after the date of first issue of the prospectus concerned.

(2) Where this subsection applies—

(a) all money received from applicants for shares shall be repaid forthwith after—

(i) in a case falling within subsection (1)(a), the contravention referred to in that provision; or

(ii) in a case falling within subsection (1)(b), the expiration of the period of 40 days referred to in that provision;

to the applicants without interest;

(b) if any such money is not so repaid after that contravention or, in a case falling within subsection (1)(b), the expiration of 48 days after the date of first issue of the prospectus concerned, the directors of the PLC shall, subject to subsection (3), be jointly and severally liable to repay that money with interest at the appropriate rate from that contravention or, as the case may be, the expiration of the 48th day.

(3) A director shall not be liable as mentioned in subsection (2)(b) if he or she proves that the default in the repayment of the money was not due to any misconduct or negligence on his or her part.

(4) Section 1358 (1) shall apply in the case of shares offered as wholly or partly payable otherwise than in cash as it applies in the case of shares offered for subscription and—

(a) in section 1358 (1) the word “subscribed” shall be read accordingly; and

(b) section 1358 (4) and subsections (1) to (3) of this section shall accordingly apply in the first-mentioned case as they apply in the second-mentioned case, but with the following modifications.

(5) Those modifications are that references in subsections (2) and (3) to the repayment of money received from applicants for shares shall be read as including references to the return of any other consideration so received (including, if the case so requires, the release of the applicant from any undertaking) or, if it is not reasonably practicable to return the consideration, the payment of money equal to the value of the consideration at the time it was so received, and references to interest shall have effect accordingly.