



# Insolvency Act 1986

## 1986 CHAPTER 45

### <sup>F1</sup> PART II

#### ADMINISTRATION ORDERS

##### Textual Amendments

- F1** Pt. II (s. 8) substituted (15.9.2003) for Pt. II (ss. 8-27) by [Enterprise Act 2002 \(c. 40\), ss. 248\(1\), 279 \(with s. 249\(1\)-\(3\)\(6\)\); S.I. 2003/2093, art. 2\(1\), Sch. 1](#) (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))

##### Modifications etc. (not altering text)

- C1** Pt. I (ss. 1-7), Pt. II (ss. 8-27) modified by [Company Directors Disqualification Act 1986 \(c. 46, SIF 27\), ss. 21\(2\), 25](#)  
Pt. II (ss. 8-27) modified (15.7.2003) by [1999 c. 29, ss. 223\(5\)\(6\), 224\(5\), 425\(2\)](#) (with Sch. 12 para. 9(1)); [S.I. 2003/1920, art. 2\(b\)](#)
- C2** Pts. I-VII (ss. 1-251) applied (with modifications) by [S.I. 1989/1276, arts. 2, 3](#) (as amended (3.7.2002) by [S.I. 2002/1555, art. 34](#))  
Pt. II (ss. 8-27) applied (with modifications) by [S.I. 1989/1276, arts. 2, 3](#) (as amended (1.12.2001) by [S.I. 2001/3649, arts. 1, 398](#))  
Pt. II (ss. 8-27) applied (with modifications) (1.12.1997) by [1986 c. 53, Sch. 15A](#) (as inserted by [1997 c. 32, s. 39\(2\), Sch. 6 para. 1\(2\)\(a\); S.I. 1997/2668, art. 2, Sch. Pt. I\(i\)](#))  
Pt. II (ss. 8-27) applied (with modifications) (31.5.2002) by [S.I. 2002/1242, art. 3, Sch.](#)
- C3** Pts. 1-4, 6, 7 applied to limited liability partnerships (with modifications) (E.W.S.) (6.4.2001) by [S.I. 2001/1090, reg. 5, Schs. 3, 4](#)
- C4** Pt. II (ss. 8-27) restricted (E.W.) by [Water Act 1989 \(c. 15, SIF 130\), s. 24\(b\)](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)  
Pt. II (ss. 8-27) restricted (1.4.1994) by [1993 c. 43, ss. 62\(5\), 150\(1\)\(c\); S.I. 1994/571, art. 5](#) (with transitional provision in art. 7)
- C5** Pt. II (ss. 8-27) power to apply or incorporate conferred (6.4.2001) by [2000 c. 12, s. 14; S.I. 2000/3316, art. 2](#)  
Pt. II (ss. 8-27) power to apply (with modifications) conferred (20.7.2001) by [2000 c. 8, s. 360; S.I. 2001/2632, art. 2\(1\), Sch. Pt. I](#)

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**C6** Pts. I-IV applied (with modifications) in part (2.1.2013) by [The Charitable Incorporated Organisations \(Insolvency and Dissolution\) Regulations 2012 \(S.I. 2012/3013\)](#), reg. 1, Sch. paras. 1(2)(a)(3)-(7)

### *Making etc. of administration order*

## 9 Application for order.

- (1) An application to the court for an administration order shall be by petition presented either by the company or the directors, or by a creditor or creditors (including any contingent or prospective creditor or creditors), [<sup>F2</sup>or by the clerk of a magistrates' court in the exercise of the power conferred by section 87A of the Magistrates' Courts Act 1980 (enforcement of fines imposed on companies)] or by all or any of those parties, together or separately.
- (2) Where a petition is presented to the court—
  - (a) notice of the petition shall be given forthwith to any person who has appointed, or is or may be entitled to appoint, an administrative receiver of the company, and to such other persons as may be prescribed, and
  - (b) the petition shall not be withdrawn except with the leave of the court.
- (3) Where the court is satisfied that there is an administrative receiver of the company, the court shall dismiss the petition unless it is also satisfied either—
  - (a) that the person by whom or on whose behalf the receiver was appointed has consented to the making of the order, or
  - (b) that, if an administration order were made, any security by virtue of which the receiver was appointed would—
    - [<sup>F3</sup>(i) be void against the administrator to any extent by virtue of the provisions of Part XII of the Companies Act 1985 (registration of company charges),]
    - [<sup>F3</sup>(i)] be liable to be released or discharged under sections 238 to 240 in Part VI (transactions at an undervalue and preferences),
    - [<sup>F3</sup>(ii)] be avoided under section 245 in that Part (avoidance of floating charges), or
    - [<sup>F3</sup>(iii)] be challengeable under section 242 (gratuitous alienations) or 243 (unfair preferences) in that Part, or under any rule of law in Scotland.
- (4) Subject to subsection (3), on hearing a petition the court may dismiss it, or adjourn the hearing conditionally or unconditionally, or make an interim order or any other order that it thinks fit.
- (5) Without prejudice to the generality of subsection (4), an interim order under that subsection may restrict the exercise of any powers of the directors or of the company (whether by reference to the consent of the court or of a person qualified to act as an insolvency practitioner in relation to the company, or otherwise).

#### Textual Amendments

- F2** Words inserted (E.W.) by [Criminal Justice Act 1988 \(c. 33, SIF 39:1\)](#), ss. 62(2)(a), 123, **Sch. 8 para. 16**
- F3** S. 9(3)(b)(i) inserted (*prosp.*) and the existing sub-paragraphs are renumbered (*prosp.*) as (ii) to (iv) by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 107, 213(2), 215(2), **Sch. 16 para. 3(1)(2)**

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#### **Modifications etc. (not altering text)**

- C7** S. 9 extended by [Financial Services Act 1986 \(c. 60, SIF 69\), s. 74](#)  
S. 9 extended (E.W.) by [Magistrates' Courts Act 1980 \(c. 43, SIF 82\), s. 87A](#) (as inserted (E.W.) by [Criminal Justice Act 1988 \(c. 33, SIF 39:1\), ss. 62\(1\), 123, Sch. 8 para. 16](#))
- C8** S. 9 modified (1.12.2001) by [2000 c. 8, s. 359\(1\)](#); S.I. 2001/3538, [art. 2\(1\)](#)
- C9** S. 9(1) amended (1.4.2001) by [1999 c. 22, s. 90, Sch. 13 para. 133](#) (with s. 107, Sch. 14 para. 7(2)); S.I. 2001/916, [art. 2\(a\)\(ii\)](#) (with Sch. 2 para. 2)
- C10** S. 9(4) applied (1.4.1994) by [1993 c. 43, ss. 60\(4\), 61\(3\), 150\(1\)\(c\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
S. 9(4) applied (1.2.2001) by [2000 c. 38, s. 30\(2\)](#) (with ss. 105(2)(b), 106); S.I. 2001/57, [art. 3\(1\), Sch. 2 Pt. I](#) (subject to transitional provision and saving in Sch. 2 Pt. II)  
S. 9(4) applied (E.W) (1.12.1991) by [Water Industry Act 1991 \(c. 56\), ss.24\(4\), 223\(2\)](#) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)  
S. 9(4) applied (1.4.1994) by [1993 c. 43, ss. 62\(4\), 65\(5\), 150\(1\)\(c\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
S. 9(4) applied (15.7.2003) by [1999 c. 29, ss. 221\(4\), 222\(3\), 223\(4\), 224\(5\), 425\(2\)](#) (with Sch. 12 para. 9(1)); S.I. 2003/1920, [art. 2\(b\)](#)
- C11** S. 9(4) extended by [Water Act 1989 \(c. 15, SIF 130\), s. 23\(6\)](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)
- C12** S. 9(5) applied (with modifications) (1.4.1994) by [1993 c. 43, ss. 60\(4\), 61\(3\), 65\(3\), 150\(1\)\(c\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
S. 9(5) applied (1.2.2001) by [2000 c. 38, s. 30\(2\)](#) (with ss. 105(2)(b), 106); S.I. 2001/57, [art. 3\(1\), Sch. 2 Pt. I](#) (subject to transitional provision and saving in Sch. 2 Pt. II)  
S. 9(5) applied (E.W) (1.12.1991) by [Water Industry Act 1991 \(c. 56\), ss.24\(4\), 223\(2\)](#) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)  
S. 9(5) applied (1.4.1994) by [1993 c. 43, ss. 62\(4\), 65\(5\), 150\(1\)\(c\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
S. 9(5) applied (15.7.2003) by [1999 c. 29, ss. 221\(4\), 222\(3\), 223\(4\), 224\(5\), 425\(2\)](#) (with Sch. 12 para. 9(1)); S.I. 2003/1920, [art. 2\(b\)](#)
- C13** S. 9(5) extended by [Water Act 1989 \(c. 15, SIF 130\), s. 23\(6\)](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)

## **11 Effect of order.**

- (1) On the making of an administration order—
  - (a) any petition for the winding up of the company shall be dismissed, and
  - (b) any administrative receiver of the company shall vacate office.
- (2) Where an administration order has been made, any receiver of part of the company's property shall vacate office on being required to do so by the administrator.
- (3) During the period for which an administration order is in force—
  - (a) no resolution may be passed or order made for the winding up of the company;
  - (b) no administrative receiver of the company may be appointed;
  - [<sup>F5</sup>(ba) no landlord or other person to whom rent is payable may exercise any right of forfeiture by peaceable re-entry in relation to premises let to the company in respect of a failure by the company to comply with any term or condition of its tenancy of such premises, except with the consent of the administrator or the leave of the court and subject (where the court gives leave) to such terms as the court may impose]

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- (c) no other steps may be taken to enforce any security over the company's property, or to repossess goods in the company's possession under any hire-purchase agreement, except with the consent of the administrator or the leave of the court and subject (where the court gives leave) to such terms as the court may impose; and
  - (d) no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied, against the company or its property except with the consent of the administrator or the leave of the court and subject (where the court gives leave) to such terms as aforesaid.
- (4) Where at any time an administrative receiver of the company has vacated office under subsection (1)(b), or a receiver of part of the company's property has vacated office under subsection (2)—
- (a) his remuneration and any expenses properly incurred by him, and
  - (b) any indemnity to which he is entitled out of the assets of the company.
- shall be charged on and (subject to subsection (3) above) paid out of any property of the company which was in his custody or under his control at that time in priority to any security held by the person by or on whose behalf he was appointed.
- (5) Neither an administrative receiver who vacates office under subsection (1)(b) nor a receiver who vacates office under subsection (2) is required on or after so vacating office to take any steps for the purpose of complying with any duty imposed on him by section 40 or 59 of this Act (duty to pay preferential creditors).

#### Textual Amendments

- F5** S. 11(3)(ba) inserted (2.4.2001) by 2000 c. 39, s. 9(3); S.I. 2001/766, art. 2(1)(b) (subject to transitional provisions in art. 3)

#### Modifications etc. (not altering text)

- C21** S. 11 applied (with modifications) by Water Act 1989 (c. 15, SIF 130), s. 23, Sch. 6 Pt. I para. 1 (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)?(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)  
 Ss. 11-23, 27 applied (with modifications) (1.2.2001) by 2000 c. 38, s. 30, Sch. 1 Pt. I para. 2; S.I. 2001/57, art. 3(1), Sch. 2 Pt. I (subject to transitional provision and saving in art. 3(1), Sch. 2 Pt. II)
- C22** Ss. 11-15 modified (E.W) (1.12.1991) by Water Industry Act 1991 (c. 56), ss. 23(3), 223(2), Sch. 3 Pts. I, II paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)  
 Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), Sch. 6 Pt. I para. 1; S.I. 1994/571, art. 5 (with transitional provision in art. 7)  
 Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), Sch. 6 Pt. II para. 12(1); S.I. 1994/571, art. 5 (with transitional provision in art. 7)  
 Ss. 11-23, 27 modified (1.2.2001) by 2000 c. 38, s. 215, Sch. 16 para 2; S.I. 2001/57, art. 3(1), Sch. 2 Pt. I (with transitional provision and saving in art. 3(1), Sch. 2 Pt. II)  
 Ss. 11-23, 27 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425(2), Sch. 14 paras. 1-11, 12-19 (with Sch. 12 para. 9(1)); S.I. 2003/1920, art. 2(b)
- C23** S. 11(2) excluded (25.4.1991) by Companies Act 1989 (c. 40), ss. 154, 155, 175(1), 182(4), Sch. 22 para. 11(2); S.I. 1991/878, art. 2, Sch.  
 S. 11(2) excluded (15.8.1995) by S.I. 1995/2049, reg. 21(2)(3)  
 S. 11(2) excluded (11.12.1999) by S.I. 1999/2979, reg. 19(1)
- C24** S. 11(2) excluded by The Financial Market and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999/2979), reg. 19(1ZA) (as inserted 1.10.2009 by The Financial Markets and Insolvency (Settlement Finality) (Amendment) Regulations 2009 (S.I. 2009/1972), reg. 7(a))

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- C25** S. 11(3) excluded (25.4.1991) by Companies Act 1989 (c. 40), ss. 154, 155, 161(4), 182(4), **Sch. 22 para. 5(2)**; S.I. 1991/878, art. 2, **Sch.**
- C26** S. 11(3)(c) excluded (25.4.1991) by Companies Act 1989 (c. 40), ss. 154, 155, 175(1)(a), 182(4), **Sch. 22 para. 11(1)**; S.I. 1991/878, art. 2, **Sch.**  
S. 11(3)(c) excluded (15.8.1995) by S.I. 1995/2049, **reg. 21(2)(3)**  
S. 11(3)(c) excluded (11.12.1999) by S.I. 1999/2979, **reg. 19(1)(a)**
- C27** s. 11(3)(c) excluded by The Financial Market and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999/2979), **reg. 19(1ZA)** (as inserted 1.10.2009 by The Financial Markets and Insolvency (Settlement Finality) (Amendment) Regulations 2009 (S.I. 2009/1972), **reg. 7(a)**)
- C28** S. 11(3)(d) modified (25.4.1991) by Companies Act 1989 (c. 40), s. 182(4), **Sch. 22 para. 12(4)**; S.I. 1991/878, art. 2, **Sch.**

## 12 Notification of order.

- (1) Every invoice, order for goods or business letter which, at a time when an administration order is in force in relation to a company, is issued by or on behalf of the company or the administrator, being a document on or in which the company's name appears, shall also contain the administrator's name and a statement that the affairs, business and property of the company are being managed by the administrator.
- (2) If default is made in complying with this section, the company and any of the following persons who without reasonable excuse authorises or permits the default, namely, the administrator and any officer of the company, is liable to a fine.

### Modifications etc. (not altering text)

- C29** Ss. 12-15 applied (with modifications) by Water Act 1989 (c. 15, SIF 130), s. 23, **Sch. 6 Pt. I para. 1** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)  
Ss. 11-23 applied (with modifications) (1.2.2001) by 2000 c. 38, s. 30, **Sch. 1 Pt. I para. 2**; S.I. 2000/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in Sch. 2 Pt. II)
- C30** Ss. 11-15 modified (E.W.) (1.12.1991) by Water Industry Act 1991 (c. 56), ss. 23(3), 223(2), Sch. 3 Pts. I, II paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. I para. 1**; S.I. 1994/571, **art. 5** (with transitional provision in art. 7)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. II para. 12(1)**; S.I. 1994/571, **art. 5** (with transitional provision in art. 7)  
Ss. 11-23 modified (1.2.2001) by 2000 c. 38, s. 215, **Sch. 16 para. 2**; S.I. 2001/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in Sch. 2 Pt. II)  
Ss. 11-23, 27 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425(2), Sch. 14 paras. 1-11, 12-19 (with Sch. 12 para. 9(1)); S.I. 2003/1920, **art. 2(b)**

## Administrators

## 13 Appointment of administrator.

- (1) The administrator of a company shall be appointed either by the administration order or by an order under the next subsection.
- (2) If a vacancy occurs by death, resignation or otherwise in the office of the administrator, the court may by order fill the vacancy.

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- (3) An application for an order under subsection (2) may be made—
- (a) by any continuing administrator of the company; or
  - (b) where there is no such administrator, by a creditors' committee established under section 26 below; or
  - (c) where there is no such administrator and no such committee, by the company or the directors or by any creditor or creditors of the company.

**Modifications etc. (not altering text)**

- C31** Ss. 12-15 applied (with modifications) by [Water Act 1989 \(c. 15, SIF 130\)](#), s. 23, [Sch. 6 Pt. I para. 1](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)?(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)
- Ss. 11-23 applied (with modifications) (1.2.2001) by [2000 c. 38, s. 30](#), [Sch. 1 Pt. I para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- C32** Ss. 11-15 modified (E.W.) (1.12.1991) by [Water Industry Act 1991 \(c. 56\)](#), ss. 23(3), 223(2), [Sch. 3 Pts. I, II](#) paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)
- Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. I paras. 1-11](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))
- Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. II paras. 12-19](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))
- Ss. 11-23 modified (1.2.2001) by [2000 c. 38, s. 215](#), [Sch. 16 para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- Ss. 11-23, 27 modified (15.7.2003) by [1999 c. 29, ss. 220\(3\), 425\(2\)](#), [Sch. 14 paras. 1-11, 12-19](#) (with [Sch. 12 para. 9\(1\)](#)); S.I. 2003/1920, [art. 2\(b\)](#)
- C33** S. 13(3)(b) modified (18.12.1996) by [1996 c. 61, s. 19\(2\)\(b\)](#)

**14 General powers.**

- (1) The administrator of a company—
- (a) may do all such things as may be necessary for the management of the affairs, business and property of the company, and
  - (b) without prejudice to the generality of paragraph (a), has the powers specified in Schedule 1 to this Act;

and in the application of that Schedule to the administrator of a company the words “he” and “him” refer to the administrator.

- (2) The administrator also has power—
- (a) to remove any director of the company and to appoint any person to be a director of it, whether to fill a vacancy or otherwise, and
  - (b) to call any meeting of the members or creditors of the company.
- (3) The administrator may apply to the court for directions in relation to any particular matter arising in connection with the carrying out of his functions.
- (4) Any power conferred on the company or its officers, whether by this Act or the Companies Act or by the memorandum or articles of association, which could be exercised in such a way as to interfere with the exercise by the administrator of his powers is not exercisable except with the consent of the administrator, which may be given either generally or in relation to particular cases.
- (5) In exercising his powers the administrator is deemed to act as the company's agent.



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- (6) A person dealing with the administrator in good faith and for value is not concerned to inquire whether the administrator is acting within his powers.

**Modifications etc. (not altering text)**

- C34** Ss. 12-15 applied (with modifications) by [Water Act 1989 \(c. 15, SIF 130\)](#), s. 23, [Sch. 6 Pt. I para. 1](#) (with [ss. 58\(7\), 101\(1\), 141\(6\), 160\(1\)\(2\)\(4\), 163, 189\(4\)-\(10\), 190, 193\(1\)](#), [Sch. 26 paras. 3\(1\)\(2\), 17, 40\(4\), 57\(6\), 58](#))  
Ss. 11-23 applied (with modifications) (1.2.2001) by [2000 c. 38, s. 30](#), [Sch. 1 Pt. I para. 2](#); S.I. [2001/57, art. 3\(1\)](#), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- C35** Ss. 11-15 modified (E.W.) (1.12.1991) by [Water Industry Act 1991 \(c. 56\)](#), [ss. 23\(3\), 223\(2\)](#), [Sch. 3 Pts. I, II paras. 1, 12\(2\)](#) (with [ss. 82\(3\), 186\(1\), 222\(1\)](#), [Sch. 14 para. 6](#))  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. I para. 1](#); S.I. [1994/571, art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. II para. 12\(1\)](#); S.I. [1994/571, art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.2.2001) by [2000 c. 38, s. 215](#), [Sch. 16 para. 2](#); S.I. [2001/57, art. 3\(1\)](#), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))  
Ss. 11-23, 27 modified (15.7.2003) by [1999 c. 29, ss. 220\(3\), 425\(2\)](#), [Sch. 14 paras. 1-11, 12-19](#) (with [Sch. 12 para. 9\(1\)](#)); S.I. [2003/1920, art. 2\(b\)](#)

**15 Power to deal with charged property, etc.**

- (1) The administrator of a company may dispose of or otherwise exercise his powers in relation to any property of the company which is subject to a security to which this subsection applies as if the property were not subject to the security.
- (2) Where, on an application by the administrator, the court is satisfied that the disposal (with or without other assets) of—
- (a) any property of the company subject to a security to which this subsection applies, or
  - (b) any goods in the possession of the company under a hire-purchase agreement, would be likely to promote the purpose or one or more of the purposes specified in the administration order, the court may by order authorise the administrator to dispose of the property as if it were not subject to the security or to dispose of the goods as if all rights of the owner under the hire-purchase agreement were vested in the company.
- (3) Subsection (1) applies to any security which, as created, was a floating charge; and subsection (2) applies to any other security.
- (4) Where property is disposed of under subsection (1), the holder of the security has the same priority in respect of any property of the company directly or indirectly representing the property disposed of as he would have had in respect of the property subject to the security.
- (5) It shall be a condition of an order under subsection (2) that—
- (a) the net proceeds of the disposal, and
  - (b) where those proceeds are less than such amount as may be determined by the court to be the net amount which would be realised on a sale of the property or goods in the open market by a willing vendor, such sums as may be required to make good the deficiency,

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shall be applied towards discharging the sums secured by the security or payable under the hire-purchase agreement.

- (6) Where a condition imposed in pursuance of subsection (5) relates to two or more securities, that condition requires the net proceeds of the disposal and, where paragraph (b) of that subsection applies, the sums mentioned in that paragraph to be applied towards discharging the sums secured by those securities in the order of their priorities.
- (7) An office copy of an order under subsection (2) shall, within 14 days after the making of the order, be sent by the administrator to the registrar of companies.
- (8) If the administrator without reasonable excuse fails to comply with subsection (7), he is liable to a fine and, for continued contravention, to a daily default fine.
- (9) References in this section to hire-purchase agreements include conditional sale agreements, chattel leasing agreements and retention of title agreements.

**Modifications etc. (not altering text)**

- C36** Ss. 12-15 applied (with modifications) by [Water Act 1989 \(c. 15, SIF 130\)](#), s. 23, [Sch. 6 Pt. I para. 1](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)  
Ss. 11-23 applied (with modifications) (1.2.2001) by 2000 c. 38, s. 30, [Sch. 1 Pt. I para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in Sch. 2 Pt. II)
- C37** Ss. 11-15 modified (E.W.) (1.12.1991) by [Water Industry Act 1991 \(c. 56\)](#), ss. 23(3), 223(2), Sch. 3 Pts. I, II paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), [Sch. 6 Pt. I para. 1](#); S.I. 1994/571, [art. 5](#) (with transitional provision in art. 7)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), [Sch. 6 Pt. II para. 12\(1\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in art. 7)  
Ss. 11-23 modified (1.2.2001) by 2000 c. 38, s. 215, [Sch. 16 para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in art. Sch. 2 Pt. II)  
Ss. 11-23, 27 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425(2), Sch. 14 paras. 1-11, 12-19 (with Sch. 12 para. 9(1)); S.I. 2003/1920, [art. 2\(b\)](#)
- C38** S. 15(1)(2) excluded (25.4.1991) by [Companies Act 1989 \(c. 40\)](#), ss. 154, 155, 175(1)(b), 182(4), [Sch. 22 para. 11\(3\)](#); S.I. 1991/878, art. 2, [Sch. 2](#)  
S. 15(1)(2) excluded (15.8.1995) by S.I. 1995/2049, [reg. 21\(2\)\(3\)](#)  
S. 15(1)(2) excluded (11.12.1999) S.I. 1999/2979, [reg. 19\(1\)](#)

**16 Operation of s. 15 in Scotland.**

- (1) Where property is disposed of under section 15 in its application to Scotland, the administrator shall grant to the donee an appropriate document of transfer or conveyance of the property, and—
  - (a) that document, or
  - (b) where any recording, intimation or registration of the document is a legal requirement for completion of title to the property, that recording, intimation or registration,
 has the effect of disencumbering the property of or, as the case may be, freeing the property from the security.



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- (2) Where goods in the possession of the company under a hire-purchase agreement, conditional sale agreement, chattel leasing agreement or retention of title agreement are disposed of under section 15 in its application to Scotland, the disposal has the effect of extinguishing, as against the disponee, all rights of the owner of the goods under the agreement.

**Modifications etc. (not altering text)**

- C39** Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. I para. 1**; S.I. 1994/571, **art. 5** (with transitional provision in **art. 7**)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. II para. 12(1)**; S.I. 1994/571, **art. 5** (with transitional provision in **art. 7**)  
Ss. 11-23 modified (1.2.2001) by 2000 c. 38, s. 215, **Sch. 16 para. 2**; S.I. 2001/57, **art. 3(1)**, **Sch. 2 Pt. I** (subject to transitional provision and saving in **Sch. 2 Pt. II**)  
Ss. 11-23, 27 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425(2), **Sch. 14 paras. 1-11, 12-19** (with **Sch. 12 para. 9(1)**); S.I. 2003/1920, **art. 2(b)**
- C40** Ss. 11-23 applied (with modifications) (1.2.2001) by 2000 c. 38, s. 30, **Sch. 1 Pt. I para. 2**; S.I. 2001/57, **art. 3(1)**, **Sch. 2 Pt. I** (subject to transitional provision and saving in **Sch. 2 Pt. II**)

**17 General duties.**

- (1) The administrator of a company shall, on his appointment, take into his custody or under his control all the property to which the company is or appears to be entitled.
- (2) The administrator shall manage the affairs, business and property of the company—
- (a) at any time before proposals have been approved (with or without modifications) under section 24 below, in accordance with any directions given by the court, and
  - (b) at any time after proposals have been so approved, in accordance with those proposals as from time to time revised, whether by him or a predecessor of his.
- (3) The administrator shall summon a meeting of the company's creditors if—
- (a) he is requested, in accordance with the rules, to do so by one-tenth, in value, of the company's creditors, or
  - (b) he is directed to do so by the court.

**Modifications etc. (not altering text)**

- C41** Ss. 17-23 applied (with modifications) by **Water Act 1989 (c. 15, SIF 130)**, s. 23, **Sch. 6 Pt. I para. 1** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), **Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58**)  
Ss. 11-23 applied (with modifications) (1.2.2001) by 2000 c. 38, s. 30, **Sch. 1 Pt. I para. 2**; S.I. 2001/57, **art. 3(1)**, **Sch. 2 Pt. I** (subject to transitional provision and saving in **Sch. 2 Pt. II**)
- C42** Ss. 17-23 modified (E.W.) (1.12.1991) by **Water Industry Act 1991 (c. 56)**, ss. 23(3), 223(2), **Sch. 3 Pts. I, II paras. 1, 12(2)** (with ss. 82(3), 186(1), 222(1), **Sch. 14 para. 6**).  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. I para. 1**; S.I. 1994/571, **art. 5** (with transitional provision in **art. 7**)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. II para. 12(1)**; S.I. 1994/571, **art. 5** (with transitional provision in **art. 7**)  
S. 17 modified (18.12.1996) by 1996 c. 61, **s. 19(4)**

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Ss. 11-23 modified (1.2.2001) by 2000 c. 38, s. 215, **Sch. 16 para. 2**; S.I. 2001/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in **Sch. 2 Pt. II**)  
Ss. 11-23, 27 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425(2), **Sch. 14 Pt. I** paras. 1-11, 12-19 (with **Sch. 12 para. 9(1)**); S.I. 2003/1920, **art. 2(b)**

## 18 Discharge or variation of administration order.

- (1) The administrator of a company may at any time apply to the court for the administration order to be discharged, or to be varied so as to specify an additional purpose.
- (2) The administrator shall make an application under this section if—
  - (a) it appears to him that the purpose or each of the purposes specified in the order either has been achieved or is incapable of achievement, or
  - (b) he is required to do so by a meeting of the company's creditors summoned for the purpose in accordance with the rules.
- (3) On the hearing of an application under this section, the court may by order discharge or vary the administration order and make such consequential provision as it thinks fit, or adjourn the hearing conditionally or unconditionally, or make an interim order or any other order it thinks fit.
- (4) Where the administration order is discharged or varied the administrator shall, within 14 days after the making of the order effecting the discharge or variation, send an office copy of that order to the registrar of companies.
- (5) If the administrator without reasonable excuse fails to comply with subsection (4), he is liable to a fine and, for continued contravention, to a daily default fine.

### Modifications etc. (not altering text)

- C43** Ss. 17-23 applied (with modifications) by **Water Act 1989** (c. 15, SIF 130), s. 23, **Sch. 6 Pt. I para. 1** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), **Sch. 26** paras. 3(1)(2), 17, 40(4), 57(6), 58)  
Ss. 11-23 applied (with modifications) (1.2.2001) by 2000 c. 38, s. 30, **Sch. 1 Pt. I para. 2**; S.I. 2001/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in **Sch. 2 Pt. II**)
- C44** Ss. 17-23 modified (E.W.) (1.12.1991) by **Water Industry Act 1991** (c. 56), ss. 23(3), 223(2), **Sch. 3 Pts. I, II** paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), **Sch. 14** para. 6).  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. I paras. 1-11**; S.I. 1994/571, **art. 5** (with transitional provision in art. 7)  
Ss. 11-23 modified (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), **Sch. 6 Pt. II paras. 12-19**; S.I. 1994/571, **art. 5** (with transitional provision in art. 7)  
Ss. 11-23 modified (1.2.2001) by 2000 c. 38, s. 215, **Sch. 16 para. 2**; S.I. 2001/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in **Sch. 2 Pt. II**)  
Ss. 11-23, 27 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425(2), **Sch. 14** paras. 1-11, 12-19 (with **Sch. 12 para. 9(1)**); S.I. 2003/1920, **art. 2(b)**
- C45** S. 18(1)(b) modified (18.12.1996) by virtue of 1996 c. 61, s. 19(2)(b)
- C46** S. 18(4) modified (18.12.1996) by 1996 c. 61, s. 19(5)

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*Changes to legislation: Insolvency Act 1986, Part II is up to date with all changes known to be in force on or before 22 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## 20 Release of administrator.

- (1) A person who has ceased to be the administrator of a company has his release with effect from the following time, that is to say—
  - (a) in the case of a person who has died, the time at which notice is given to the court in accordance with the rules that he has ceased to hold office;
  - (b) in any other case, such time as the court may determine.
- (2) Where a person has his release under this section, he is, with effect from the time specified above, discharged from all liability both in respect of acts or omissions of his in the administration and otherwise in relation to his conduct as administrator.
- (3) However, nothing in this section prevents the exercise, in relation to a person who has had his release as above, of the court's powers under section 212 in Chapter X of Part IV (summary remedy against delinquent directors, liquidators, etc.).

### Modifications etc. (not altering text)

- C50** Ss. 17-23 applied (with modifications) by [Water Act 1989 \(c. 15, SIF 130\)](#), s. 23, [Sch. 6 Pt. I para. 1](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)  
Ss. 11-23 applied (with modifications) (1.2.2001) by [2000 c. 38, s. 30](#), [Sch. 1 Pt. I para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- C51** Ss. 17-23 modified (E.W.) (1.12.1991) by [Water Industry Act 1991 \(c. 56\)](#), ss. 23(3), 223(2), [Sch. 3 Pts. I, II](#) paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6)  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. I para. 1](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. II para. 12\(1\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.2.2001) by [2000 c. 38, s. 215](#), [Sch. 16 para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))  
Ss. 11-23, 27 modified (15.7.2003) by [1999 c. 29, ss. 220\(3\), 425\(2\)](#), Sch. 14 paras. 1-11, 12-19 (with [Sch. 12 para. 9\(1\)](#)); S.I. 2003/1920, [art. 2\(b\)](#)

### *Ascertainment and investigation of company's affairs*

## 21 Information to be given by administrator.

- (1) Where an administration order has been made, the administrator shall—
  - (a) forthwith send to the company and publish in the prescribed manner a notice of the order, and
  - (b) within 28 days after the making of the order, unless the court otherwise directs, send such a notice to all creditors of the company (so far as he is aware of their addresses).
- (2) Where an administration order has been made, the administrator shall also, within 14 days after the making of the order, send an office copy of the order to the registrar of companies and to such other persons as may be prescribed.
- (3) If the administrator without reasonable excuse fails to comply with this section, he is liable to a fine and, for continued contravention, to a daily default fine.

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*Changes to legislation: Insolvency Act 1986, Part II is up to date with all changes known to be in force on or before 22 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Modifications etc. (not altering text)**

- C52** Ss. 17-23 applied (with modifications) by [Water Act 1989 \(c. 15, SIF 130\)](#), s. 23, [Sch. 6 Pt. I para. 1](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)  
Ss. 11-23 applied (with modifications) (1.2.2001) by [2000 c. 38, s. 30](#), [Sch. 1 Pt. I para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- C53** Ss. 17-23 modified (E.W.) (1.12.1991) by [Water Industry Act 1991 \(c. 56\)](#), ss. 23(3), 223(2), [Sch. 3 Pts. I, II](#) paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6).  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. I para. 1](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. II para. 12\(1\)](#); S.I. 1994/571, [art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.2.2001) by [2000 c. 38, s. 215](#), [Sch. 16 para. 2](#); S.I. 2001/57, art. 3(1), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))  
Ss. 11-23, 27 modified (15.7.2003) by [1999 c. 29, ss. 220\(3\), 425\(2\)](#), [Sch. 14 paras. 1-11, 12-19](#) (with [Sch. 12 para. 9\(1\)](#)); S.I. 2003/1920, [art. 2\(b\)](#)
- C54** S. 21(2) modified (18.12.1996) by [1996 c. 61, s. 19\(5\)](#)
- C55** S. 21(2) applied (7.10.2001) by [S.I. 2001/3352, rule 2.11\(4\)](#) (with rule 1.2(3))

**22 Statement of affairs to be submitted to administrator.**

- (1) Where an administration order has been made, the administrator shall forthwith require some or all of the persons mentioned below to make out and submit to him a statement in the prescribed form as to the affairs of the company.
- (2) The statement shall be verified by affidavit by the persons required to submit it and shall show—
  - (a) particulars of the company’s assets, debts and liabilities;
  - (b) the names and addresses of its creditors;
  - (c) the securities held by them respectively;
  - (d) the dates when the securities were respectively given; and
  - (e) such further or other information as may be prescribed.
- (3) The persons referred to in subsection (1) are—
  - (a) those who are or have been officers of the company;
  - (b) those who have taken part in the company’s formation at any time within one year before the date of the administration order;
  - (c) those who are in the company’s employment or have been in its employment within that year, and are in the administrator’s opinion capable of giving the information required;
  - (d) those who are or have been within that year officers of or in the employment of a company which is, or within that year was, an officer of the company.

In this subsection “employment” includes employment under a contract for services.

- (4) Where any persons are required under this section to submit a statement of affairs to the administrator, they shall do so (subject to the next subsection) before the end of the period of 21 days beginning with the day after that on which the prescribed notice of the requirement is given to them by the administrator.
- (5) The administrator, if he thinks fit, may—

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- (a) at any time release a person from an obligation imposed on him under subsection (1) or (2), or
- (b) either when giving notice under subsection (4) or subsequently, extend the period so mentioned;

and where the administrator has refused to exercise a power conferred by this subsection, the court, if it thinks fit, may exercise it.

- (6) If a person without reasonable excuse fails to comply with any obligation imposed under this section, he is liable to a fine and, for continued contravention, to a daily default fine.

#### **Modifications etc. (not altering text)**

- C56** Ss. 17-23 applied (with modifications) by [Water Act 1989](#) (c. 15, SIF 130), s. 23, **Sch. 6 Pt. I para. 1** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)-(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)
- Ss. 11-23 applied (with modifications) (1.2.2001) by [2000 c. 38](#), s. 30, **Sch. 1 Pt. I para. 2**; S.I. 2001/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- C57** Ss. 17-23 modified (E.W.) (1.12.1991) by [Water Industry Act 1991](#) (c. 56), ss. 23(3), 223(2), **Sch. 3 Pts. I, II** paras. 1, 12(2) (with ss. 82(3), 186(1), 222(1), Sch. 14 para. 6).
- Ss. 11-23 modified (1.4.1994) by [1993 c. 43](#), ss. 59(3), 150(1)(c), **Sch. 6 Pt. I para. 1**; S.I. 1994/571, **art. 5** (with transitional provision in [art. 7](#))
- Ss. 11-23 modified (1.4.1994) by [1993 c. 43](#), ss. 59(3), 150(1)(c), **Sch. 6 Pt. II para. 12(1)**; S.I. 1994/571, **art. 5** (with transitional provision in [art. 7](#))
- Ss. 11-23 modified (1.2.2001) by [2000 c. 38](#), s. 215, **Sch. 16 para. 2**; S.I. 2001/57, art. 3(1), **Sch. 2 Pt. I** (subject to transitional provision and saving in [art. Sch. 2 Pt. II](#))
- Ss. 11-23, 27 modified (15.7.2003) by [1999 c. 29](#), ss. 220(3), 425(2), **Sch. 14** paras. 1-11, 12-19 (with [Sch. 12 para. 9\(1\)](#)); S.I. 2003/1920, **art. 2(b)**
- C58** S. 22(5) amended (7.10.2001) by S.I. 2001/3352, **rule 3.4(1)** (with s. 1.2(3))

#### *Administrator's proposals*

### **23 Statement of proposals.**

- (1) Where an administration order has been made, the administrator shall, within 3 months (or such longer period as the court may allow) after the making of the order—
  - (a) send to the registrar of companies and (so far as he is aware of their addresses) to all creditors a statement of his proposals for achieving the purpose or purposes specified in the order, and
  - (b) lay a copy of the statement before a meeting of the company's creditors summoned for the purpose on not less than 14 days' notice.
- (2) The administrator shall also, within 3 months (or such longer period as the court may allow) after the making of the order, either—
  - (a) send a copy of the statement (so far as he is aware of their addresses) to all members of the company, or
  - (b) publish in the prescribed manner a notice stating an address to which members of the company should write for copies of the statement to be sent to them free of charge.

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- (3) If the administrator without reasonable excuse fails to comply with this section, he is liable to a fine and, for continued contravention, to a daily default fine.

**Modifications etc. (not altering text)**

- C59** Ss. 17-23 applied (with modifications) by [Water Act 1989 \(c. 15, SIF 130\)](#), s. 23, [Sch. 6 Pt. I para. 1](#) (with ss. [58\(7\)](#), [101\(1\)](#), [141\(6\)](#), [160\(1\)\(2\)\(4\)](#), [163](#), [189\(4\)-\(10\)](#), [190](#), [193\(1\)](#), [Sch. 26 paras. 3\(1\)\(2\)](#), [17](#), [40\(4\)](#), [57\(6\)](#), [58](#))  
Ss. 11-23 applied (with modifications) (1.2.2001) by [2000 c. 38, s. 30](#), [Sch. 1 Pt. I para. 2](#); S.I. [2001/57, art. 3\(1\)](#), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))
- C60** Ss. 17-23 modified (E.W.) (1.12.1991) by [Water Industry Act 1991 \(c. 56\)](#), ss. [23\(3\)](#), [223\(2\)](#), [Sch. 3 Pts. I, II](#) paras. 1, [12\(2\)](#) (with ss. [82\(3\)](#), [186\(1\)](#), [222\(1\)](#), [Sch. 14 para. 6](#)).  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. I paras. 1-11](#); S.I. [1994/571, art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.4.1994) by [1993 c. 43, ss. 59\(3\), 150\(1\)\(c\)](#), [Sch. 6 Pt. II paras. 12-19](#); S.I. [1994/571, art. 5](#) (with transitional provision in [art. 7](#))  
Ss. 11-23 modified (1.2.2001) by [2000 c. 38, s. 215](#), [Sch. 16 para. 2](#); S.I. [2001/57, art. 3\(1\)](#), [Sch. 2 Pt. I](#) (subject to transitional provision and saving in [Sch. 2 Pt. II](#))  
Ss. 11-23 modified (15.7.2003) by [1999 c. 29, ss. 220\(3\), 425\(2\)](#), [Sch. 14 paras. 1-11, 12-19](#) (with [Sch. 12 para. 9\(1\)](#)); S.I. [2003/1920, art. 2\(b\)](#)
- C61** S. 23(1)(2) modified (18.12.1996) by [1996 c. 61, s. 19\(5\)](#)

**24 Consideration of proposals by creditors' meeting.**

- (1) A meeting of creditors summoned under section 23 shall decide whether to approve the administrator's proposals.
- (2) The meeting may approve the proposals with modifications, but shall not do so unless the administrator consents to each modification.
- (3) Subject as above, the meeting shall be conducted in accordance with the rules.
- (4) After the conclusion of the meeting in accordance with the rules, the administrator shall report the result of the meeting to the court and shall give notice of that result to the registrar of companies and to such persons as may be prescribed.
- (5) If a report is given to the court under subsection (4) that the meeting has declined to approve the administrator's proposals (with or without modifications), the court may by order discharge the administration order and make such consequential provision as it thinks fit, or adjourn the hearing conditionally or unconditionally, or make an interim order or any other order that it thinks fit.
- (6) Where the administration order is discharged, the administrator shall, within 14 days after the making of the order effecting the discharge, send an office copy of that order to the registrar of companies.
- (7) If the administrator without reasonable excuse fails to comply with subsection (6), he is liable to a fine and, for continued contravention, to a daily default fine.



*Status: Point in time view as at 06/04/2013.*

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**Modifications etc. (not altering text)**

**C62** S. 24(6) modified (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), arts. 1(2), **6(2)**

**25 Approval of substantial revisions.**

- (1) This section applies where—
  - (a) proposals have been approved (with or without modifications) under section 24, and
  - (b) the administrator proposes to make revisions of those proposals which appear to him substantial.
- (2) The administrator shall—
  - (a) send to all creditors of the company (so far as he is aware of their addresses) a statement in the prescribed form of his proposed revisions, and
  - (b) lay a copy of the statement before a meeting of the company’s creditors summoned for the purpose on not less than 14 days’ notice;and he shall not make the proposed revisions unless they are approved by the meeting.
- (3) The administrator shall also either—
  - (a) send a copy of the statement (so far as he is aware of their addresses) to all members of the company, or
  - (b) publish in the prescribed manner a notice stating an address to which members of the company should write for copies of the statement to be sent to them free of charge.
- (4) The meeting of creditors may approve the proposed revisions with modifications, but shall not do so unless the administrator consents to each modification.
- (5) Subject as above, the meeting shall be conducted in accordance with the rules.
- (6) After the conclusion of the meeting in accordance with the rules, the administrator shall give notice of the result of the meeting to the registrar of companies and to such persons as may be prescribed.

*Miscellaneous*

**26 Creditors’ committee.**

- (1) Where a meeting of creditors summoned under section 23 has approved the administrator’s proposals (with or without modifications), the meeting may, if it thinks fit, establish a committee (“the creditors’ committee”) to exercise the functions conferred on it by or under this Act.
- (2) If such a committee is established, the committee may, on giving not less than 7 days’ notice, require the administrator to attend before it at any reasonable time and furnish it with such information relating to the carrying out of his functions as it may reasonably require.

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**Modifications etc. (not altering text)**

**C63** S. 26 amended (1.12.2001) by 2000 c. 8, s. 362(5)(b); S.I. 2001/3538, art. 2(1)

**Status:**

Point in time view as at 06/04/2013.

**Changes to legislation:**

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