



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER VI

WINDING UP BY THE COURT

Grounds and effect of winding-up petition

122 Circumstances in which company may be wound up by the court.

- (1) A company may be wound up by the court if—
- (a) the company has by special resolution resolved that the company be wound up by the court,
 - (b) being a public company which was registered as such on its original incorporation, the company has not been issued with a certificate under section 117 of the Companies Act (public company share capital requirements) and more than a year has expired since it was so registered,
 - (c) it is an old public company, within the meaning of the Consequential Provisions Act,
 - (d) the company does not commence its business within a year from its incorporation or suspends its business for a whole year;
 - (e) the number of members is reduced below 2,
 - (f) the company is unable to pay its debts,
 - (g) the court is of the opinion that it is just and equitable that the company should be wound up.
- (2) In Scotland, a company which the Court of Session has jurisdiction to wind up may be wound up by the Court if there is subsisting a floating charge over property comprised

Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation: Insolvency Act 1986, Section 122 is up to date with all changes known to be in force on or before 30 July 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)

in the company's property and undertaking, and the court is satisfied that the security of the creditor entitled to the benefit of the floating charge is in jeopardy.

For this purpose a creditor's security is deemed to be in jeopardy if the Court is satisfied that events have occurred or are about to occur which render it unreasonable in the creditor's interests that the company should retain power to dispose of the property which is subject to the floating charge.

Modifications etc. (not altering text)

- C1** S. 122(1)(f) modified by S.I. 1989/1058, **reg. 18(2)**
S. 122(1)(f) extended (1.4.1992) by S.I. 1992/613, **reg. 49(2)**
S. 122(1)(f): power to modify conferred (E.W.) (6.3.1992) by 1992 c. 14, s. 14(3), **Sch. 4 para. 10(1)**
(with s. 118(1)(2))

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