



Insolvency Act 1986

1986 CHAPTER 45

The First Group of Parts Company Insolvency ; Companies Winding Up

PART II

ADMINISTRATION ORDERS

Administrators

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

Status: This is the original version (as it was originally enacted).

- (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,
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.