



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER VIII

PROVISIONS OF GENERAL APPLICATION IN WINDING UP

Miscellaneous matters

187 Power to make over assets to employees.

- (1) On the winding up of a company (whether by the court or voluntarily), the liquidator may, subject to the following provisions of this section, make any payment which the company has, before the commencement of the winding up, decided to make under [^{F1}section 247 of the Companies Act 2006](power to provide for employees or former employees on cessation or transfer of business).
- [^{F2}(2) The liquidator may, after the winding up has commenced, make any such provision as is mentioned in section 247(1) if—
 - (a) the company's liabilities have been fully satisfied and provision has been made for the expenses of the winding up,
 - (b) the exercise of the power has been sanctioned by a resolution of the company, and
 - (c) any requirements of the company's [^{F3}articles] as to the exercise of the power conferred by section 247(1) are complied with.]
- (3) Any payment which may be made by a company under this section (that is, a payment after the commencement of its winding up) may be made out of the company's assets which are available to the members on the winding up.

Status: Point in time view as at 01/10/2009. This version of this provision has been superseded.

Changes to legislation: Insolvency Act 1986, Section 187 is up to date with all changes known to be in force on or before 26 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)

- (4) On a winding up by the court, the exercise by the liquidator of his powers under this section is subject to the court's control, and any creditor or contributory may apply to the court with respect to any exercise or proposed exercise of the power.
- (5) Subsections (1) and (2) above have effect notwithstanding anything in any rule of law or in section 107 of this Act (property of company after satisfaction of liabilities to be distributed among members).

Textual Amendments

- F1** Words in s. 187(1) substituted (1.10.2007) by [The Companies Act 2006 \(Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 10(1), [Sch. 4 para. 42\(2\)](#) (with art. 12)
- F2** S. 187(2) substituted (1.10.2007) by [The Companies Act 2006 \(Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings\) Order 2007 \(S.I. 2007/2194\)](#), art. 10(1), [Sch. 4 para. 42\(3\)](#) (with art. 12)
- F3** Words in s. 187(2)(c) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009, \(S.I. 2009/1941\)](#) arts. 2(1), 8, {Sch. 1 para. 75(20)} (with art. 10, Sch. 1 para. 84)

Modifications etc. (not altering text)

- C1** S. 187 applied (with modifications) (S.) (6.4.2001) by [S.S.I. 2001/128](#), reg. 4(1), [Sch. 2](#)
 S. 187 modified (S.) (6.4.2001) by [S.S.I. 2001/128](#), reg. 4(2), [Sch. 3](#)
- C2** S. 187 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by [Banking Act 2009 \(c. 1\)](#), [ss. 103](#), 263(1)(2) (with s. 247); [S.I. 2009/296](#), [arts. 2, 3](#), Sch. para. 2

Status:

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Changes to legislation:

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