



# Companies Act 1985

## 1985 CHAPTER 6

### PART XX

#### WINDING UP OF COMPANIES REGISTERED UNDER THIS ACT OR THE FORMER COMPANIES ACTS

### CHAPTER VII

#### MISCELLANEOUS PROVISIONS ABOUT WINDING UP

#### **659 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 section 719 (power to provide for employees or former employees on cessation or transfer of business).
- (2) The power which a company may exercise by virtue only of that section may be exercised by the liquidator after the winding up has commenced if, after the company's liabilities have been fully satisfied and provision has been made for the costs of the winding up, the exercise of that power has been sanctioned by such a resolution of the company as would be required of the company itself by section 719(3) before that commencement, if paragraph (b) of that subsection were omitted and any other requirement applicable to its exercise by the company had been met.
- (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.
- (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 597 of this Act (property of company after satisfaction of liabilities to be distributed among members).

**660 Separate accounts of particular estates (England and Wales)**

- (1) An account shall be kept by the Secretary of State of the receipts and payments in the winding up of each company in England and Wales.
- (2) When the cash balance standing to the credit of the account of any company is in excess of the amount which, in the opinion of the committee of inspection, is required for the time being to answer demands in respect of the company's estate, the Secretary of State shall on the request of the committee invest the amount not so required in Government securities, to be placed to the credit of that account for the company's benefit
- (3) When any part of the money so invested is, in the opinion of the committee of inspection, required to answer any demands in respect of the company's estate, the Secretary of State shall, on the committee's request, raise such sum as may be required by the sale of such part of those securities as may be necessary.
- (4) The dividends on investments under this section shall be paid to the credit of the company.
- (5) When the balance at the credit of a company's account in the hands of the Secretary of State exceeds £2,000, and the liquidator gives notice to him that the excess is not required for the purposes of the liquidation, the company is entitled to interest on the excess at such rate as may for the time being be prescribed by order of the Treasury.
- (6) The Treasury's power to make orders under this section is exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament

**661 Officers and remuneration (England and Wales)**

- (1) The Secretary of State may, with the approval of the Treasury, appoint such additional officers as may be required by him for the execution of this Part as respects England and Wales, and may remove any person so appointed.
- (2) The Secretary of State, with the concurrence of the Treasury, shall direct whether any and what remuneration is to be allowed to any officer of, or person attached to, his department performing any duties under this Part in relation to the winding up of companies in England and Wales, and may vary, increase or diminish that remuneration as he (the Secretary of State) thinks fit.

**662 Returns by officers in winding up (England and Wales)**

The officers of the courts acting in the winding up of companies in England and Wales shall make to the Secretary of State such returns of the business of their respective courts and offices at such times, and in such manner and form, as may be prescribed; and from these returns the Secretary of State shall cause books to be prepared which shall (under regulations made by him) be open for public information and searches.

**663 Rules and fees**

- (1) The Lord Chancellor may, with the concurrence of the Secretary of State, make general rules for carrying into effect the objects of this Act so far as relates to the winding up of companies in England and Wales.
- (2) The Court of Session may by Act of Sederunt make general rules for carrying into effect the objects of this Act so far as relates to the winding up of companies in Scotland.
- (3) An answer given by a person to a question put to him in exercise of powers conferred by general rules may be used in evidence against him.
- (4) There shall be paid in respect of proceedings under this Act in relation to the winding up of companies in England and Wales such fees as the Lord Chancellor may, with the sanction of the Treasury, direct; and the Treasury may direct by whom and in what manner the fees are to be collected and accounted for.
- (5) The powers conferred by this section on the Lord Chancellor, the Court of Session and the Treasury are exercisable by statutory instrument; and a statutory instrument containing general rules shall be laid before Parliament after being made.
- (6) Fees in respect of proceedings under this Act in relation to the winding up of companies shall be paid into the Consolidated Fund.

**664 Power to alter monetary limits**

- (1) The Secretary of State may by regulations in a statutory instrument increase or reduce any of the money sums for the time being specified in the following provisions of this Part—
  - section 512(2),
  - section 515(3),
  - section 518(1)(a),
  - section 542(4),
  - section 622(3),
  - section 624(1)(a) and (b), and
  - paragraph 12 of Schedule 19.
- (2) Regulations shall not be made under this section unless a draft of the statutory instrument containing them has been approved by resolution of each House of Parliament.