



Insolvency Act 1986

1986 CHAPTER 45

The First Group of Parts Company Insolvency ; Companies Winding Up

PART VII

INTERPRETATION FOR FIRST GROUP OF PARTS

247 " Insolvency " and " go into liquidation "

- (1) In this Group of Parts, except in so far as the context otherwise requires, " insolvency ", in relation to a company, includes the approval of a voluntary arrangement under Part I, the making of an administration order or the appointment of an administrative receiver.
- (2) For the purposes of any provision in this Group of Parts, a company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution.

248 " Secured creditor ", etc.

In this Group of Parts, except in so far as the context otherwise requires—

- (a) " secured creditor ", in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and " unsecured creditor " is to be read accordingly; and
- (b) " security " means—
 - (i) in relation to England and Wales, any mortgage, charge, lien or other security, and
 - (ii) in relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off).

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249 " Connected " with a company

For the purposes of any provision in this Group of Parts, a person is connected with a company if—

- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
- (b) he is an associate of the company ;

and " associate" has the meaning given by section 435 in Part XVIII of this Act.

250 " Member " of a company

For the purposes of any provision in this Group of Parts, a person who is not a member of a company but to whom shares in the company have been transferred, or transmitted by operation of law, is to be regarded as a member of the company, and references to a member or members are to be read accordingly.

251 Expressions used generally

In this Group of Parts, except in so far as the context otherwise requires—

" administrative receiver " means—

- (a) an administrative receiver as defined by section 29(2) in Chapter I of Part III, or
- (b) a receiver appointed under section 51 in Chapter II of that Part in a case where the whole (or substantially the whole) of the company's property is attached by the floating charge ;

" business day " means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in any part of Great Britain ;

" chattel leasing agreement" means an agreement for the bailment or, in Scotland, the hiring of goods which is capable of subsisting for more than 3 months ;

" contributory " has the meaning given by section 79;

" director " includes any person occupying the position of director, by whatever name called ;

" floating charge " means a charge which, as created, was a floating charge and includes a floating charge within section 462 of the Companies Act (Scottish floating charges);

" office copy ", in relation to Scotland, means a copy certified by the clerk of court;

" the official rate ", in relation to interest, means the rate payable under section 189(4);

" prescribed " means prescribed by the rules ;

" receiver ", in the expression " receiver or manager ", does not include a receiver appointed under section 51 in Chapter II of Part III;

" retention of title agreement" means an agreement for the sale of goods to a company, being an agreement—

- (a) which does not constitute a charge on the goods, but
- (b) under which, if the seller is not paid and the company is wound up, the seller will have priority over all other creditors of the company as respects the goods or any property representing the goods;

" the rules " means rules under section 411 in Part XV; and

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" shadow director", in relation to a company, means a person in accordance with whose directions or instructions the directors of the company are accustomed to act (but so that a person is not deemed a shadow director by reason only that the directors act on advice given by him in a professional capacity); and any expression for whose interpretation provision is made by Part XXVI of the Companies Act, other than an expression defined above in this section, is to be construed in accordance with that provision.