

*These notes refer to the Enterprise Act 2002 (c.40)  
which received Royal Assent on 7 November 2002*

# ENTERPRISE ACT 2002

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### Part 10: Insolvency

##### Ending administration

697. The administrator will complete the administration as soon as reasonably practicable, or, in any event, within twelve months of the date the administration commenced. However, this term may be extended for an additional period of up to six months with the consent of creditors. Alternatively, the administrator can apply to court for an extension for as long as deemed necessary by the courts (paragraph 76 and 78). An extension may not be made once the administrator's term of office has ended (paragraph 77).
698. The administrator is required to apply to the court to end the appointment if he or she thinks that the purpose of administration cannot be achieved, that the company should not have entered into administration or if required to do so by a creditors' meeting (paragraph 79).
699. If the administrator thinks that the purpose of administration has been sufficiently achieved he or she will file notice with the court and the Registrar of Companies and send copies to all the company's creditors. The administrator's appointment will end when the notice is filed (paragraph 80). Paragraph 81 makes provision for a creditor to apply to the court to have an administration stopped if he or she considers that the appointment was made under an improper motive.
700. [Paragraph 83](#) allows the administrator to end the administration and convert the proceedings into a voluntary winding-up. This will occur if the preferential and secured creditors have been paid all they are likely to receive (or such has been set aside for them), and there is money available for the unsecured creditors. The administrator will send a notice to the Registrar of Companies and, as soon as is reasonably practicable, file a copy with the court and send a copy to each of the company's creditors. Once the Registrar of Companies has registered the notice, the administrator's appointment ends, the company proceeds to undergo a creditors' voluntary winding-up and the administrator becomes the liquidator of the company, unless the creditors have nominated an alternative liquidator.