

business recovery & insolvency

administrative receivership...

An Administrative Receivership is when a company breaches the terms of its borrowing from a creditor who has a floating charge. That creditor can then appoint an Administrative Receiver to recover the money which is due.

The Administrative Receiver must be a Licensed Insolvency Practitioner.

Upon appointment, the Administrator has extensive powers to deal with the charged assets.

Within 28 days of appointment the Administrative Receiver has to notify creditors of his appointment and hold a meeting of unsecured creditors within a period of three months. At the meeting a report is given on the events leading to the appointment, the carrying on of the business, disposal of assets, the amounts owing to creditors and how much, if anything, is likely to be available for distribution. A copy of the report is also sent to all known creditors.

The appointment of an Administrative Receiver does not prevent creditors from either continuing with or commencing any legal action against the company. This includes the petitioning for its Liquidation.

The receivership is complete once the floating charge holder has been paid in full or when all of the assets have been sold and the proceeds distributed.

For further information please contact us on 0845 555 8844 or email us on recovery@dains.com.



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