HMRC - VATSC95000 - Practitioners: Administrators

Administrators are appointed by the court under an Administration Order and should not be confused with administrative receivers. An Administration Order directs that during the period for which the order is in force, the affairs of the company are managed by a person appointed by the court.

Applications for an Administration Order are made by petition either by the company, its directors, its creditors or a combination. The purpose of such an order is to protect a poorly performing business from its creditors whilst it reorganises its affairs. This may involve selling off parts of the business which will receive better prices if the company is still trading. The administrator is deemed to be the company’s agent under s14(5) Insolvency Act 1986 and supplies its services to the company.

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