HMRC - VATSC95200 - Practitioners: Liquidators

Liquidators are appointed to wind-up the affairs of a company. They collect and realise the company’s assets - proceeds are paid to the creditors and any surplus to the shareholders. There are two types of winding-up - voluntary or by the court:

A voluntary winding-up is instigated either by the members (shareholders) or the creditors under s90 Insolvency Act 1986. In a members’ voluntary winding-up the liquidator is appointed by the company and supplies services to the company.

In either a creditors’ winding-up or in a winding-up by the court, the liquidator is normally appointed at a meeting of the creditors. The liquidator supplies its normal services to the company, but if it sells company assets on behalf of a secured creditor, the services in respect of that sale are supplied to the creditor.

Previous page

Next page