



# Companies Act 1985

## 1985 CHAPTER 6

### PART XVIII

#### FLOATING CHARGES AND RECEIVERS (SCOTLAND)

### CHAPTER II

#### RECEIVERS

#### **475 Priority of debts**

- (1) Where a receiver is appointed and the company is not at the time of the appointment in course of being wound up, the debts which fall under subsection (2) of this section shall be paid out of any assets coming to the hands of the receiver in priority to any claim for principal or interest by the holder of the floating charge by virtue of which the receiver was appointed.
- (2) Debts falling under this subsection are debts which satisfy the conditions of this subsection, that is to say, they are debts—
  - (a) which in every winding up are, under the provisions of Part XX relating to preferential payments, to be paid in priority to all other debts ; and
  - (b) which, by the end of a period of six months after advertisement by the receiver for claims in the Edinburgh Gazette and in a newspaper circulating in the district where the company carries on business, either—
    - (i) have been intimated to him ; or
    - (ii) have become known to him.
- (3) In the application of Part XX, section 614 and Schedule 19 are to be read as if the provision for payment of accrued holiday remuneration becoming payable on the termination of employment before or by the effect of the winding-up order or resolution were a provision for payment of such remuneration becoming payable on the termination of employment before or by the effect of the appointment of the receiver.

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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- (4) The periods of time mentioned in Schedule 19 are to be reckoned from the date of the appointment of the receiver under section 469(6) or 470(5).
- (5) Any payments made under this section shall be recouped as far as may be out of the assets of the company available for payment of ordinary creditors.