

Ogier has successfully applied for the first appointment of a provisional liquidator by the Royal Co

News - 24/05/2017

Ogier has successfully represented a client that has been a part of proceedings involving the appointment of a provisional liquidator by the Royal Court over a Guernsey company.

Counsel Alex Horsbrugh-Porter, was instructed by a client who supported the court application made on behalf of the minority shareholder in the matter of IPIS UK (Battersea London I) Limited, which secured the first appointment of a provisional liquidator, in unusual circumstances – the company is solvent, and will be for the foreseeable future.

The factual background showed that the company had purchased an English property for development and employed development professionals with shareholder capital and a bridging loan. Construction did not commence and when the bridging loan expired no replacement was obtained – as a result, the lender appointed a receiver, and the sale of the property was agreed.

However, as the company had no director or investment manager it was not in a position to receive the "substantial" proceeds of the property sale, and none could be appointed before the funds were due to be paid.

The majority shareholder of the company instructed Ogier to support an application for the appointment of a provisional liquidator on the basis that the provisional liquidator would act under the supervision of the court and would not distribute funds without a further court order.

Advocate Horsbrugh-Porter, an insolvency specialist, said: "The decision of the Royal Court is a helpful one from the perspective of insolvency practitioners, in that it underlines the court's flexible and pragmatic approach to exercising its discretion when presented with unusual circumstances, as was the case here".

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Meet the Author



[Alex Horsbrugh-Porter](#)

Partner

[Guernsey](#)

E: alex.horsbrugh-porter@ogier.com

T: [+44 1481 752272](tel:+441481752272)

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