

LIQ03

Notice of progress report in voluntary winding up



For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number

Company name in full

→ **Filling in this form**

Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)

Surname

3 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s)

Surname

① **Other liquidator**

Use this section to tell us about another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② **Other liquidator**

Use this section to tell us about another liquidator.

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6 Period of progress report

From date	d	d	m	m	y	y	y	y
To date	d	d	m	m	y	y	y	y

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

TO ALL MEMBERS AND ALL CREDITORS
WHO ARE NOT OPTED OUT

9 February 2023

Ref: CPD/LJ/LM/D16
Direct line: +44 141 226 9220
Lucy McWalters

apigroup@uk.ey.com

Dear Sir or Madam

API Group Limited (In Creditors' Voluntary Liquidation) ('the Company')

On 11 December 2020, R H Kelly and I were appointed as Joint Liquidators of the Company, following our previous appointment as Joint Administrators on 31 January 2020. I now write to provide you with our report on the progress of the Liquidation for the period from 11 December 2021 to 10 December 2022. This report should be read in conjunction with our previous progress report, dated 8 February 2022.

Following his retirement from EY, please note that in accordance with a Court Order dated 27 June 2022 ('the Order'), Robert Hunter Kelly was replaced as Joint Liquidator of the Company, by Timothy Graham Vance, an Insolvency Practitioner licenced by The Institute of Chartered Accountants of Scotland. In compliance with the terms of the Order, a block advertisement was placed in the London Gazette on 7 July 2022.

At Appendix A of this report, we provide information about the Company and the Joint Liquidators. A copy of our receipts and payments account for the period from 11 December 2021 to 10 December 2022 is provided at Appendix B.

A copy of the Joint Administrators' final progress report to creditors dated 13 November 2020 is available to view at www.ey.com/en_uk/ey-api-group-administrations.

Progress during the period of the report

Asset realisations

Investments in API Hong Kong

As you may recall, API Hong Kong is in a solvent wind down process. The latest update suggests that there are outstanding tax liabilities that will likely result in little to no cash remaining and accordingly, we do not anticipate there to be any funds available to the Company as shareholder of the entity.

Intercompany debtors – API Netherlands

As previously reported, we continue to liaise with API Netherlands B.V. ('API Netherlands') with regard to the intercompany debt of c£5.1m due to the Company. The Dutch Curator/Receiver of API Netherlands has indicated that there is likely to be a nominal dividend available for unsecured creditors, however, the timing of any dividend payment remains uncertain. We will continue to liaise with the Dutch Curator/Receiver to pursue these recoveries and will provide a further update in our next report.

Other matters

API-Stace cross-guarantee

As creditors will recall, the Company is a guarantor in respect of the long leasehold Livingston property held by API-Stace Limited ('Stace'), which also entered Administration on 31 January 2020.

As part of the sale of the business and assets of APIF Realisations Limited (previously API Foils Limited) (In Administration) ('Foils'), a licence to occupy the property was granted to the Foils' purchaser by the Joint Administrators and I am happy to report that an assignation of the property to the Foils' purchaser has been completed in the period. As previously advised, the landlord had an unsecured claim in Stace in respect of losses at the date of Administration but as there were not sufficient assets available to allow a distribution to the unsecured creditors within Stace, a claim has subsequently been made against the Company as guarantor.

Tax position

The Joint Liquidators have continued to submit monthly VAT returns for the Company as part of the API VAT group submissions and, during the period of this report, HM Revenue & Customs ('HMRC') made VAT repayments to the registered member relating to the Company administration period, which had been outstanding for over 12 months. As a result, £13,046 has been received by the Company in this period (reflected in the R&P within the cash transferred over from the Administration).

We are awaiting further refunds from HMRC in respect of the Liquidation period returns which we continue to chase and hope to receive shortly, together with the appropriate VAT repayment supplements.

In advance of the closure of the Administrations of other companies within the API VAT group, an application was made to HMRC to appoint the Company as the representative member of the VAT group to allow the Company to continue to submit VAT returns during the Liquidation. Confirmation of this change was subsequently received from HMRC during the period.

Work which remains to be done

Distributions to creditors

Preferential creditors

We are not aware of the existence of any preferential creditor claims given that the Company had no employees at the time of the Joint Administrators' (now Liquidators) appointment.

Non-preferential creditors

As previously reported, there are sufficient funds available to distribute a dividend to the non-preferential creditors of the Company. Based on asset realisations and claims received to date, we estimate that the value of the dividend will be less than 1p in the £. Although there have been delays in issuing a formal notice of intention to declare a dividend to date, as we have sought to finalise the matters discussed above, we are confident that we will be in a position to write to all creditors later this year to issue the formal notice to declare a first and final dividend.

Should creditors wish to submit a claim in the Liquidation, and have yet to do so, a hard copy proof of debt form can be downloaded from our website https://www.ey.com/en_uk/ey-api-group-administrations and returned by email together with supporting invoices and statements to apigroup@uk.ey.com.

Please note that, in accordance with Rule 14.3(2) of the Insolvency (England and Wales) Rules 2016, creditors who have proved their debt in the Administration are deemed to have proved their debt in the Liquidation and are therefore not required to submit a new claim.

Joint Liquidators' remuneration

In accordance with Rule 18.20(4) of the Insolvency (England and Wales) Rules 2016, where an Administrator becomes Liquidator, the basis of remuneration fixed under Rule 18.18 for the Joint Administrators is treated as having been fixed for the Joint Liquidators. Details of the basis of remuneration fixed and time costs incurred for the period of this report are outlined in the table below.

As creditors will recall, as the fee estimate previously approved by creditors in the Administration did not consider work to be completed in the Liquidation, we previously sought separate approval from the creditors to draw fees for the Liquidation in line with the Joint Liquidators' fee estimate, dated 8 February 2022. The required approvals have subsequently been received and fees in line with the fee estimate will shortly be drawn.

Basis of remuneration (fixed in the Administration)	How the basis of remuneration was fixed	Joint Liquidators' Fee Estimate	Time costs incurred during period	Time costs incurred to date
Time-cost basis (fully drawn during the Administration)	Resolution of creditors on 10 April 2020	£36,135	£44,920	£65,464

An analysis of the time spent and a comparison with the fee estimate dated 8 February 2022 is attached at Appendix D to this report. Although total time incurred to date has exceeded the amount provided for in the Joint Liquidators' Fee Estimate, the Joint Liquidators will not draw remuneration in excess of the fee estimate without the approval of creditors.

A narrative explanation of work done to date and why it was necessary to be done is provided at Appendix E.

Joint Liquidators' statement of expenses incurred

During the period covered by this report, we have incurred the following expenses in respect of the Company. A breakdown of the expenses paid and a comparison to the estimate provided to creditors dated 8 February 2022 is attached at Appendix C.

	Incurred in period to 10 December 2022 (£)	Paid in period to 10 December 2022 (£)	Total paid to 10 December 2022 (£)
Payments made from the estate which are not expenses	531	531	1,567
Category 1 expenses	160	-	-
Category 2 expenses	67	-	-
Total	758	531	1,567

The Joint Liquidators' expenses are not expected to exceed the amount provided for in the estimate and, should these not be required in full, the funds available for distribution will increase accordingly. For the avoidance of doubt, no Category 1 or Category 2 expenses have been drawn to date and the Joint Liquidators will not draw Category 2 expenses in excess of the estimate dated 8 February 2022 without the approval of creditors.

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Chapter 4 of Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to the Joint Liquidators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Liquidators' Fees' referred to above.

Investigations

We concluded our investigations into the Company's affairs, in accordance with Statement of Insolvency Practice 2 (Investigations by Office Holders) and the Company Directors Disqualification Act 1986, with the required statutory returns made to the Insolvency Service during the Administration. No further investigations were required as a result of the Company moving into Creditors' Voluntary Liquidation on 11 December 2020 and no third-party funding has been required or provided.

Other matters

I will report to all creditors again in approximately 12 months or at the conclusion of the Liquidation, whichever is sooner.

Should you have any queries regarding any of the contents of this report, please do not hesitate to contact my colleague, Lucy McWalters, by sending an email to apigroup@uk.ey.com.

Yours faithfully
for the Company



C P Dempster
Joint Liquidator

C P Dempster and T G Vance are both licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants of Scotland.

The Joint Liquidators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

API Group Limited (In Creditors' Voluntary Liquidation)

Information about the Company and the Joint Liquidators

Registered office address of the Company:	c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester, M2 3EY	
Registered number:	00169249	
Date of appointment of the Joint Liquidators:	11 December 2020	
Details of any changes of Liquidator:	Robert Hunter Kelly replaced as office holder by Tim Graham Vance on 27 June 2022	
Full names of the Joint Liquidators:	Colin Peter Dempster and Tim Graham Vance	
Office holder numbers:	8908 and 26710	
Liquidators' addresses:	Colin P Dempster Ernst & Young LLP Atria One, 144 Morrison Street Edinburgh EH3 8EX	Timothy G Vance Ernst & Young LLP 1 Bridgewater Place Leeds LS11 5QR
Telephone number:	+44 141 226 9202	
Name of alternative person to contact with enquiries about the case:	Lucy McWalters	

API Group Limited (In Creditors' Voluntary Liquidation)

Joint Liquidators' receipts and payments account for the period from 11 December 2021 to 10 December 2022

	Total in reporting period to 10 December 2021 (£)	Transactions since 11 December 2021 (£)	Total in reporting period to 10 December 2022 (£)
Receipts			
Cash from Administration	358,353	13,046	371,399
Pre-appointment Debtors	1,064	0	1,064
Bank Interest	10	0	10
Total	359,426	13,046	372,472
Payments			
Public Notices	95	0	95
Storage Charges	693	527	1,220
Corporation Tax	247	0	247
Bank Charges & Interest	2	4	6
Total	1,036	531	1,568
Balance in hand	358,390	12,514	370,905
Represented by:			
Royal Bank of Scotland - current account			370,881
VAT Receivable			98
Trade Creditors			(75)
Total			370,905

Notes

1. These accounts do not reflect estimated future realisations or associated costs.

API Group Limited (In Creditors' Voluntary Liquidation)

Joint Liquidators' statement of expenses paid

Type of Expense	Notes	Per Fee estimate dated 8 February 2022 £	Paid as at 10 December 2021 £	Paid in reporting period £	Total paid £	Outstanding £
Payments made from the estate which are not expenses						
	1 & 2					
Legal Fees		5,000	-	-	-	5,000
Statutory costs		500	95	-	95	405
Storage costs		2,500	693	527	1,220	1,280
Bank charges and interest		100	2	4	6	94
Corporation tax		500	247	-	247	253
Total		8,600	1,036	531	1,568	7,032
Category 1 expenses						
	2					
Specific penalty bond	3	800	-	-	-	800
Travel & accommodation	4	153	-	-	-	153
Subtotal		953	-	-	-	953
Category 2 expenses						
	2					
Printing & postage	5	1,522	-	-	-	1,522
Subtotal		1,522	-	-	-	1,522
Total		11,075	1,036	531	1,568	9,508

Notes

1. Statement of Insolvency Practice 9 ('SIP 9') defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
2. SIP 9 defines expenses as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Expenses fall into two categories: Category 1 and Category 2.
 - Category 1 expenses are payments to independent third parties where there is specific expenditure directly referable to the appointment.
 - Category 2 expenses are payments which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.
3. Of the £800 of specific penalty bond expenses outstanding, £480 relates to expenses incurred but not paid in the Administration period.
4. £153 of travel & accommodation costs outstanding relate to expenses incurred but not paid in the Administration period.
5. Of the £1,522 of printing & postage category 2 expenses outstanding, £21.68 relates to expenses incurred but not requested or paid in the Administration period.

API Group Limited (In Creditors' Voluntary Liquidation)

**Joint Liquidators' time costs for the period from 11 December 2021 to 10 December 2022
and a comparison with the fee estimate dated 8 February 2022**

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Accounting & Administration	23.6	6,754	286	29.6	10,810	365	45.2	15,902	352
Bank & Statutory Reporting	4.9	2,419	494	1.8	1,495	830	3.7	2,705	731
Creditors	16.3	7,513	461	12.9	4,058	315	18.2	7,590	417
Debtors	6.2	2,855	461	6.1	3,376	553	7.3	4,135	566
Employee Matters	5.2	1,598	307	-	-	-	5.2	1,567	301
Investigation & CDDA	1.6	898	561	-	-	-	1.6	859	537
Legal Issues	0.8	424	530	-	-	-	0.3	67	222
Statutory Duties	26.4	10,396	394	59.3	23,361	394	76.7	28,897	377
VAT & Taxation	10.9	3,278	301	5.3	1,821	344	12.2	3,742	307
Total	95.9	36,135	377	115.0	44,920	391	170.4	65,464	384

API Group Limited (In Creditors' Voluntary Liquidation)

Narrative explanation of the work done and why it was necessary to be done

Work in the Liquidation to date has primarily related to establishing the recoverability of assets due to the Company from overseas entities, preparations to make a distribution to unsecured creditors, reviewing unsecured claims (including potential guarantor claim with regard to Stace) and complying with statutory requirements of the Liquidation. Further details of the work undertaken by the Joint Liquidators to date and the work to be undertaken in the future are provided below:

Category of work	Detailed description of work	Work done / in progress / to be performed	Work required by statute or for creditor benefit
Accounting & Administration	<ul style="list-style-type: none"> Opening and closing bank account Dealing with receipts and payments vouchers. Carrying out bank reconciliations. 	<ul style="list-style-type: none"> In progress In progress In progress 	<ul style="list-style-type: none"> Statute (all items)
Bank & Statutory Reporting	<ul style="list-style-type: none"> Regular reporting to the unsecured creditors. 	<ul style="list-style-type: none"> In progress 	<ul style="list-style-type: none"> Statute
Creditors	<ul style="list-style-type: none"> Updating creditor website for delivery of initial and ongoing communications in the Liquidation. Receiving and dealing with creditor enquiries via post, email and telephone. Reviewing and preparing correspondence to creditors. Adjudicating and admitting claims for dividend purposes. Making a distribution to unsecured creditors. 	<ul style="list-style-type: none"> In progress In progress In progress In progress To be performed 	<ul style="list-style-type: none"> For creditor benefit (all items)
Debtors	<ul style="list-style-type: none"> Collection of the debtor book, negotiations with directors of overseas entities and appointed practitioners of insolvent debtors, where relevant. Monitoring and recording cash receipts 	<ul style="list-style-type: none"> In progress In progress 	<ul style="list-style-type: none"> For creditor benefit (all items)
Employee Matters	<ul style="list-style-type: none"> Investigating unsecured claim from Pension Protection Fund 	<ul style="list-style-type: none"> In progress 	<ul style="list-style-type: none"> For creditor benefit
Investigation & CDDA	<ul style="list-style-type: none"> Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". 	<ul style="list-style-type: none"> Work done 	<ul style="list-style-type: none"> Statute
Legal Issues	<ul style="list-style-type: none"> Dealing with any legal issues which may arise during the course of Liquidation (from a statutory perspective and to protect value in the estate) 	<ul style="list-style-type: none"> In progress 	<ul style="list-style-type: none"> Statute
Statutory Duties	<ul style="list-style-type: none"> Notification of appointment to relevant parties including filing at the Register of Companies Annual progress reports as required Completion of internal statutory monitoring system. Preparation of formal statutory papers in line with institute policies. Preparation for the closure of the 	<ul style="list-style-type: none"> Work done In progress In progress In progress To be 	<ul style="list-style-type: none"> Statute (all items) For creditor benefit Statute Statute

Appendix E

	Liquidation.	performed	
	<ul style="list-style-type: none">• Matters relating to the initial planning and ongoing oversight of the Liquidation strategy, including update meetings to formulate the strategy adopted.	<ul style="list-style-type: none">• In progress	<ul style="list-style-type: none">• For creditor benefit
VAT & Taxation	<ul style="list-style-type: none">• Recovery of outstanding VAT refunds due for the pre-appointment and Administration periods.• Submission of VAT returns on a monthly basis.• Preparation and submission of outstanding tax returns for the pre-appointment and Administration periods and liaising with HMRC as appropriate.• Preparation and submission of tax returns for future Liquidation periods and liaising with HMRC as appropriate to secure tax clearance	<ul style="list-style-type: none">• Work done• In progress• Work done• In progress	<ul style="list-style-type: none">• Statute (all items)
