

TO ALL MEMBERS AND ALL CREDITORS
WHO ARE NOT OPTED OUT

10 February 2026

Ref: KA/LJ/LM/D16
Direct line: +44 141 226 9202
Lucy McWalters

apigroup@uk.ey.com

Dear Sir or Madam

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

I write to provide you with a report on the progress of the Liquidation for the period from 11 December 2024 to 10 December 2025. This report should be read in conjunction with the previous progress reports, dated 8 February 2022, 9 February 2023, 9 February 2024 and 10 February 2025.

On 11 December 2020, Robert Hunter Kelly and Colin Peter Dempster were appointed as Joint Liquidators of the Company, following their previous appointment as Joint Administrators on 31 January 2020. Following their retirements from EY, and in accordance with Court Orders dated 27 June 2022 and 19 June 2023 respectively ("the Orders"), Robert Hunter Kelly and Colin Peter Dempster were replaced as Joint Liquidators of the Company by Timothy Graham Vance and Kristopher Stewart Aspin, Insolvency Practitioners licenced by The Institute of Chartered Accountants of Scotland. In compliance with the terms of the Orders, block advertisements were placed in the London Gazette on 7 July 2022 and 28 June 2023, respectively.

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 2024 to 10 December 2025 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

Intercompany debtor – API Netherlands

During the period, we continued to liaise with the Dutch Curator of API Netherlands B.V. ('API Netherlands') to pursue the intercompany debt of c.£5.1m due to the Company. The Dutch Curator previously advised, in September 2024, that up to c.€300k may ultimately be available for distribution to the unsecured creditors of API Netherlands, with the Company being the majority unsecured creditor.

As creditors may recall, the Dutch Curator initially rejected the Company's claim. During the period, and working with our appointed Dutch legal advisers, HVG Law, we provided extensive documentation and explanations to evidence the validity of the claim and engaged in discussions with the Dutch Curator to explore a negotiated resolution.

During the period, we negotiated a settlement with the Dutch Curator under which the Company will receive 85% of all amounts ultimately available to the unsecured creditors of API Netherlands. Based on the most recent information formally confirmed to us, we currently estimate this will be c.€153k, although the final amount will depend on the quantum of assets ultimately realised by API Netherlands and the level of costs and claims ranking ahead of unsecured creditors. Any variation from this estimate will be reflected in future reporting. A recovery of c.€153k would represent a c.35% material increase in the total realised assets of the Company.

Following a Court hearing in November 2025, the Dutch Court completed its approval of the negotiated agreement confirming the Company's admitted claim.

The Dutch Curator has advised that certain administrative steps must be completed before funds can be released. These include finalising his fees and expenses (which must be approved through the Dutch bankruptcy-court process), completing a VAT assessment, and preparing the final distribution schedule. The distribution schedule is subject to a statutory 10-day objection period before payment can be made. Based on information from HVG Law, the Joint Liquidators currently anticipate receipt of funds by April 2026.

Bank interest

Bank interest of £8,666 was received during the period.

Tax

As creditors may recall, following the Company's deregistration for VAT purposes in November 2023, the Company was awaiting £756 from HMRC in respect of VAT refunds for the period to April 2023.

This amount was received from HMRC during the period. The Company also received repayment interest in the amount of £153 from HMRC in respect of late repayment of VAT refund amounts.

The Company continues to incur VAT on certain Liquidation expenses, and the Joint Liquidators will submit a VAT426 to HMRC, prior to the closure of the Liquidation, to recover all outstanding amounts.

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 during the Administration. No further investigations were required as a result of the Company moving into Creditors' Voluntary Liquidation on 11 December 2020. No third-party funding has been required or provided.

Work which remains to be done

Asset realisations

We will continue to liaise with the Dutch Curator of API Netherlands regarding the expected payment date of the non-preferential, unsecured dividend due to the Company in respect of its agreed claim.

Upon receipt of the funds, the Joint Liquidators will:

- Complete the adjudication of any remaining unsecured creditor claims in the UK estate;
- Declare and pay a first and final dividend;
- Complete all final VAT and tax filings; and
- Commence the closure of the Liquidation.

Distributions to creditors

Preferential creditors

We are not aware of the existence of any preferential creditor claims.

Non-preferential, unsecured creditors

As noted above, the Joint Liquidators expect to receive funds from the bankruptcy estate of API Netherlands by April 2026. These funds will enable a distribution to the Company's non-preferential, unsecured creditors.

Once the funds have been received, we will commence the statutory process to declare and pay a non-preferential, unsecured dividend. We currently anticipate that this process will be completed within the next six months.

Accordingly, any creditors who wish to submit a claim in the Liquidation for amounts owed prior to 31 January 2020, and who have not yet done so, are requested to provide their proof of debt form as soon as possible. A hard copy proof of debt form can be downloaded from our website at 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 ('the Rules'), 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 Rules, where an Administrator becomes Liquidator, the basis of remuneration fixed under Rule 18.18 of the Rules 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.

The fees estimate approved by creditors in the Administration did not cover the work required in the Liquidation, and the Joint Liquidators sought separate approval for Liquidation fees. The Joint Liquidators' initial fees estimate, dated 8 February 2022 and totalling £36,135, was approved and fees up to that limit were drawn in full in April 2023.

Basis of remuneration (fixed in the Administration)	Joint Liquidators' Fees Estimate, dated 8 February 2022	Time costs incurred during period	Time costs incurred to date
Time-cost basis	£36,135	£137,396	£335,159

The time incurred in the Liquidation to date has exceeded the amount provided for in the initial fees estimate. This is primarily due to various areas of additional work that were not anticipated at the outset, including (i) the extent of engagement with the Dutch Curator regarding the API Netherlands debt, (ii) complying with additional statutory requirements given the additional time required to realise the API Netherlands debt, (iii) exploring the Terminal Loss Relief claim assigned to API Group Limited from another company in the API Group, and (iv) liaising with HMRC regarding VAT refunds, group deregistration and related compliance matters.

This additional work has been both required by statute, and, in the case of the work in respect of the API Netherlands claim, has resulted in the material settlement agreed with the Dutch Curator and represents a direct benefit to creditors.

In light of the above, and consistent with the Statement of Insolvency Practice 9 ('SIP 9') guidance, the Joint Liquidators will shortly be seeking creditor approval to increase the initial fees estimate under separate cover.

An analysis of the time spent to date, together with a comparison with the initial fees estimate, is attached at Appendix D to this report. For the avoidance of doubt, the Joint Liquidators will not draw remuneration in excess of the fees 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 and paid expenses totalling £10,933. At Appendix C there is a breakdown of the expenses paid in this period, to date, and a comparison to the Revised Estimate provided to creditors dated 10 February 2025.

Where the expenses incurred have exceeded the estimates at the date of our last report, the reasons for this have been provided at Appendix C. For the avoidance of doubt, the Joint Liquidators will not draw Category 2 expenses in excess of the Initial 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 Rules. 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 Rules. Further information is provided in 'A Creditors' Guide to Liquidators' Fees' referred to above.

Subsequent reporting

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



K S Aspin
Joint Liquidator

K S Aspin and T G Vance are both licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants of Scotland. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

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 Company 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. Peters 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 Colin Peter Dempster replaced as office holder by Kristopher Stewart Aspin on 19 June 2023.	
Full names of the Joint Liquidators:	Kristopher Stewart Aspin and Tim Graham Vance	
Office holder numbers:	25250 and 26710	
Liquidators' addresses:	Kristopher S Aspin 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 2020 to 10 December 2025

	Total in reporting period to 10 December 2024 (£)	Transactions from 11 December 2024 to 10 December 2025 (£)	Total in reporting period to 10 December 2025 (£)
Receipts			
Cash from Administration	371,399	-	371,399
Pre-appointment Debtors	1,064	-	1,064
Bank Interest	10	8,666	8,676
Unidentified Income	25	-	25
VAT repayment interest	-	153	153
Sundry Income	37	-	37
Total	372,535	8,819	381,354
Payments			
Public Notices	95	-	95
Storage Charges	3,397	1,424	4,821
Liquidators' Fees	36,135	-	36,135
Liquidators' Disbursements	1,202	-	1,202
Legal Fees	-	9,488	9,488
Corporation Tax	247	-	247
Bank Charges & Interest	10	21	31
Total	41,085	10,933	52,018
Balance in hand	331,450	(2,114)	329,336
Represented by:			
BOS GBP account			320,629
Royal Bank of Scotland - current account			7,999
VAT Receivable			708
Total			329,336

Notes

1. These accounts do not reflect estimated future realisations or associated costs.
2. Sundry income relates to minimal surplus amounts remaining in the Administration bank accounts of other companies in the API Group, transferred to the Company upon closure of the Administrations.
3. Unidentified income relates to a receipt of funds from a pre-appointment API Group customer paid in error to the Company. Given the immaterial value and the bank charges that would be incurred returning the funds, it is expected they will not need to be returned.

API Group Limited (in Creditors' Voluntary Liquidation)

Joint Liquidators' statement of expenses paid

Type of Expense	Notes	Revised estimate dated 10 February 2025 £	Paid as at 10 December 2024 £	Paid in reporting period £	Total paid to date £	Revised estimate £	Outstanding £
Payments made from the estate which are not expenses		1 & 2					
Legal Fees	3	5,000	-	9,488	9,488	12,500	3,012
Statutory costs		500	95	-	95	500	406
Storage costs		6,850	3,397	1,424	4,821	6,850	2,029
Bank charges and interest		100	10	21	31	100	69
Corporation tax		500	247	-	247	500	253
Total		12,950	3,748	10,933	14,682	20,450	5,768
Category 1 expenses		2					
Specific penalty bond		1,120	960	-	960	1,120	160
Travel & accommodation		153	153	-	153	153	-
Subtotal		1,273	1,113	-	1,113	1,273	160
Category 2 expenses		2					
Printing & postage		1,522	88	-	88	1,522	1,433
Subtotal		1,522	88	-	88	1,522	1,433
Total		15,745	4,950	10,933	15,884	23,245	7,361

Notes

1. 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. Legal costs have exceeded the previous estimate due to the work required by HVG Law in assisting with the realisation of assets from the estate API Netherlands, the extent of which could not have been previously anticipated when the original estimate was prepared.

API Group Limited (in Creditors' Voluntary Liquidation)

**Joint Liquidators' time costs for the period from 11 December 2024 to 10 December 2025
and a comparison with the fees estimate dated 8 February 2022**

	Staff Grade								Total Hours	Total Cost (£)	Average Rate (£)
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Accounting & Administration	-	-	-	7.6	-	25.3	-	1.7	34.6	22,904	662
Creditors	-	-	-	2.5	-	2.8	-	2.3	7.6	4,956	652
Debtors	4.0	-	-	30.4	-	25.9	-	0.7	61.0	51,467	844
Other Assets	-	-	-	2.0	-	-	-	-	2.0	1,996	998
Other Matters	-	-	-	8.6	-	5.3	-	-	13.9	11,649	838
Statutory Duties	3.0	-	-	14.0	-	31.7	4.1	4.4	57.2	40,343	705
VAT & Taxation	-	-	-	1.3	-	2.2	-	4.6	8.1	4,081	504
Total Hours	7.0	-	-	66.4	-	93.2	4.1	13.7	184.4		
Time Costs (£)	10,360	-	-	67,013	-	53,128	2,317	4,578		137,396	
Average Hourly Rate (£)	1,480	-	-	1,009	-	570	565	334			745

Type of work	Per Liquidation Fee Estimate dated 8 February 2022			Actual in this report period			Cumulative total to Date		
	Total hours	Total time costs (£)	Average hourly rate (£)	Total hours	Total time costs (£)	Average hourly rate (£)	Total hours	Total time costs (£)	Average hourly rate (£)
Accounting & Administration	23.6	6,754	286	34.6	22,904	662	136.7	66,866	489
Bank & Statutory Reporting	4.9	2,419	494	-	-	-	29.9	14,576	487
Creditors	16.3	7,513	461	7.6	4,956	652	34.2	16,467	481
Debtors	6.2	2,855	461	61.0	51,467	844	90.1	73,123	812
Employee Matters	5.2	1,598	307	-	-	-	5.3	1,611	304
Investigation & CDDA	1.6	898	561	-	-	-	1.6	859	537
Legal Issues	0.8	424	530	-	-	-	0.3	67	222
Members	-	-	-	-	-	-	1.8	1,195	664
Other Assets	-	-	-	2.0	1,996	998	13.5	10,583	784
Other Matters	-	-	-	13.9	11,649	838	36.4	29,502	810
Out of Scope	-	-	-	-	-	-	3.0	1,371	457
Statutory Duties	26.4	10,396	394	57.2	40,343	705	184.0	93,318	507
VAT & Taxation	10.9	3,278	301	8.1	4,081	504	59.0	25,622	434
Total	95.9	36,135	377	184.4	137,396	745	595.8	335,159	563

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 API-Stage Limited (formerly in Administration)) 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"> Dealing with ad hoc queries from group company employees in relation to pensions. 	<ul style="list-style-type: none"> Work done 	<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

Appendix E

Members	<ul style="list-style-type: none"> Dealing with ad hoc shareholder matters including correspondence in relation to previous non-assenting shareholders and any remaining funds available 	<ul style="list-style-type: none"> In progress 	<ul style="list-style-type: none"> For creditor benefit
Other Assets / Other Matters	<ul style="list-style-type: none"> Correspondence with other group companies regarding outstanding amounts due to the Company as shareholder 	<ul style="list-style-type: none"> Work done 	<ul style="list-style-type: none"> For creditor benefit
Statutory Duties	<ul style="list-style-type: none"> Notification of appointment and change of liquidators 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 Liquidation. 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"> Work done In progress In progress In progress To be performed In progress 	<ul style="list-style-type: none"> Statute (all items) For creditor benefit Statute Statute 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. Deregistration of the Company for VAT purposes. Submission of a final VAT426 return for all outstanding amounts prior to the closure of the Liquidation. 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 Work done Work done To be performed Work done To be performed 	<ul style="list-style-type: none"> Statute (all items)