

TO ALL KNOWN CREDITORS

19 February 2021

Ref: CPD/CW/MP/D22.1
Direct line: 0131 240 2544
Matthew Piper
apigroup@uk.ey.com

Dear Sirs

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

As you are aware, on 11 December 2020, the Administration of the Company concluded, and the Company was moved into Creditors Voluntary Liquidation in accordance with Paragraph 83 of Schedule B1 to the Insolvency Act 1986.

I enclose, for your information a copy of our final progress report which was published on 13 November 2020.

It is now appropriate for us to seek a decision from creditors on our discharge from liability as Joint Administrators, in accordance with the provisions of Paragraph 98 of Schedule B1 to the Insolvency Act 1986. Discharge will take effect from the date of the end of the Administration, being 11 December 2020.

We intend to seek a decision by deemed consent. I enclose formal notice of a decision by deemed consent, for your attention.

Should you have any queries relating to the enclosed documents or any other aspect of the administration, please do not hesitate to contact Matthew Piper at this office.

Yours faithfully
for the Company



Craig Waddell
For C P Dempster
Joint Liquidator

Enc: Joint Administrators' Final Progress Report
Notice of decision by deemed consent

C P Dempster and R H Kelly 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 General Data Protection Regulation 2016/679, 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 Liquidator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

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ADM12G05

Notice to creditors of deemed consent

Paragraph 98 of Schedule B1 to the Insolvency Act 1986 and Rules 15.7 and 15.8 of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts, Manchester District Registry, Insolvency and Companies List (ChD)
Case number:	CR-2020-MAN-000129 of 2020
Registered name of the company	API Group Limited
Other trading name(s) or style(s) of the company:	n/a
Any other registered name in the 12 months prior to administration:	API Group Plc
Registered number:	00169249
Registered office address:	c/o Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY
Principal trading address (if different from above):	Second Avenue, Poynton Industrial Estate, Stockport, SK12 1ND
Date on which the company entered Administration:	31 January 2020
Date of appointment of Joint Administrators:	31 January 2020

Details of the Former Joint Administrators

Colin Peter Dempster Ernst & Young LLP Atria One, 144 Morrison Street Edinburgh EH3 8EX	Robert Hunter Kelly Ernst & Young LLP Bridgewater Place Leeds LS11 5QR
Office holder number:	8908 / 8582
Telephone number:	0131 240 2544

Name of alternative person to contact about the administration: Matthew Piper

NOTICE IS HEREBY GIVEN that the former Joint Administrators of the above-named company are seeking their discharge from liability, to take effect from the date on which notice of the end of the administration is registered with Companies House, by deemed consent.

Creditors will be deemed to have consented to the former Administrators' discharge from liability unless by the end of 10 March 2021 **(the decision date)** at least 10% in value of creditors who would be entitled to vote in a qualifying decision procedure have objected to approval and their objections have been made in accordance with the procedure set out below.

Objections

Any creditor wishing to object to the proposed decision on discharge including any creditor who has opted out from receiving notices about the former administration - must deliver to me, at the above address, a notice stating that the creditor so objects. The notice must be delivered to me at the above address not later than the end of 10 March 2021 **(the decision date)** together with a proof in respect of the creditor's claim which complies with the requirements of Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016 failing which the objection will be disregarded.

Please note that creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of claim if they wish to object.

It is my responsibility, as former Joint Administrator convening the deemed consent procedure, to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

If the threshold is met the deemed consent procedure will terminate without a decision being made on the request for discharge and if a decision is sought again on the same matter it will be sought by a decision procedure.

Requests for a physical meeting to be held

Creditors who meet the thresholds in s.246ZE(7) of the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may, within five business days from the date of delivery of this notice, make a request to me in writing for a physical meeting of creditors to be held to consider the request for discharge from liability.

Signed



Colin Dempster
Joint Liquidator and Former Joint Administrator

Date 18/02/2021 _____

TO ALL KNOWN CREDITORS

13 November 2020

Ref: CPD/CW/MP/D21.1
Direct line: +44 131 240 2544
Matthew Piper
apigroup@uk.ey.com

Dear Sirs

API Group Limited (in Administration) ('the Company')

On 31 January 2020, C P Dempster and R H Kelly were appointed Joint Administrators of the Company. The appointment was made by the directors under the provisions of Paragraph 22 (2) of Schedule B1 to the Insolvency Act 1986.

I write to provide you with our final progress report in the Administration, which includes details of the outcome. The report covers the period from 31 July 2020 to 6 November 2020 and should be read in conjunction with our previous report dated 28 August 2020. Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

In summary, the Administrators can confirm that there are sufficient funds available for a dividend to be paid to the unsecured creditors and in order to distribute these funds, the Company will shortly be moving from Administration to Creditors' Voluntary Liquidation.

Summary of the Administrators' proposals

The purpose of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

The following matters were considered to achieve the above purpose:

- The Company owned certain intellectual property assets which were required to be included in the sale of the business and assets of API Foils Limited (in Administration) ('Foils') and API Laminates Limited (in Administration) ('Laminates').
- The Company owns shares in the subsidiaries of API Netherlands BV ('API Netherlands'), API Foils Asia Limited ('API Hong Kong') and API Folie Polska Sp z.oo ('API Poland'), which were marketed for sale in the Administration; and
- The Company was the agent for the Group's banking arrangements with Santander Plc.

In accordance with Paragraph 53 (2) of Schedule B1 to the Insolvency Act 1986 and Rule 3.41 of the Insolvency (England and Wales) Rules 2016, the creditors approved the proposals on 14 April 2020.

Summary of steps taken during the Administration

Investments in API Netherlands, API Hong Kong and API Poland

As advised in the Proposals and the last progress report, the Administrators concluded a sale of the shares held in API Poland for £1 as part of the sale of the Foils business. As described in the Proposals, this transaction was in the best interests of the creditors as the Poland subsidiary would have entered a Polish insolvency process in the event that a sale was not concluded.

We understand that the directors of API Netherlands are finalising matters to allow that entity to enter insolvent liquidation however we do not expect any dividend to be received. In respect of API Hong Kong, the directors are taking steps for that entity to be wound down solvently and we expect a small dividend to be received.

Intercompany debts

As at the date of appointment, there were £12.5m of intercompany debts owing to the Company from overseas API companies which are not subject to our appointment.

The Poland balance was assigned to the purchaser of the Foils business for £1 as part of the Foils business sale for the reasons noted above.

There is no prospect of any recovery of the debt owing from API Overseas Holdings Limited due to the Chapter 11 Bankruptcy of API Americas Inc, nor from API Netherlands BV for the reason noted above.

Distributions to creditors

No distributions have been made to date.

There are sufficient funds available for a dividend to be paid to the unsecured, non-preferential creditors. The Administrators' estimate the value of the dividend will be less than one pence in the pound however we will write to all creditors shortly to declare the dividend.

Details of assets still to be realised

Other than the potential receipt of a dividend from API Hong Kong, there are no further assets to be realised.

Receipts and payments account

I enclose a receipts and payments account for the period from 31 July 2020 to 6 November 2020.

Investigations

We have undertaken an investigation into the Companies' affairs prior to our appointment pursuant to Statement of Insolvency Practice Number 2 (Investigations by Office Holders) and the Company Directors Disqualification Act 1986, with the necessary confidential returns made to the Insolvency Service on 27 April 2020. No investigations are continuing, and no third-party funding has been provided.

Administrators' remuneration

The statutory provisions relating to remuneration are set out in 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 Administrators' 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 me.

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 Administrators' Fees' referred to above.

Our remuneration was fixed on the basis of time properly given by the Administrators and their staff in dealing with matters arising in the Administration up to £49,090 as detailed in the Fee Estimate dated 26 March 2020.

During the period covered by this report, we have charged remuneration of £101,592. Of this sum, £49,090, net of VAT, has been drawn.

An analysis of the time spent, and a comparison with the fee estimate dated 26 March 2020 is attached as Appendix 4 to this report.

The Administrators' remuneration has exceeded the original fee estimate by £52,502. The principal reasons for the additional time were in relation to supplier payments made from the Company, reconciliation of payments made by the Company on behalf of API Group Services Limited (in Administration), dealing with employee related matters and management of the bank accounts. Once appointed, the Liquidators will write to the creditors in respect of remuneration.

Administrators' statement of expenses incurred

During the period covered by this report, the Administrators have incurred expenses totalling £16,189 plus VAT. There is a breakdown of expenses incurred in the period and to date at Appendix 3 to this report.

The outcome of the Administration

As noted above, on the basis that there are funds available to unsecured creditors, in accordance with the Proposals dated 26 March 2020, the Company will shortly be moving into Creditors' Voluntary Liquidation, and that Colin Peter Dempster and Robert Hunter Kelly be appointed Joint Liquidators.

Should you have any remaining questions about the Administration, please do not hesitate to contact Matthew Piper at this office.

Yours faithfully



C P Dempster
Joint Administrator

Enc: Copy of Form AM22

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

The affairs, business and property of the Company are being managed by the Joint Administrators, C P Dempster and R H Kelly, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, 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 Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix 1

Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts, Manchester District Registry, Insolvency and Companies List (ChD)										
Court reference:	CR-2020-MAN-000129 of 2020										
Registered name of the Company:	API Group Limited										
Registered office address of the Company:	c/o Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY										
Registered number:	00169249										
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A										
Date of appointment of the Joint Administrators:	31 January 2020										
Details of any changes of Administrator:	None										
Full names of the Administrators:	Colin Peter Dempster and Robert Hunter Kelly										
Office holder number(s):	8908 and 8582										
Administrators' address(es):	<table><tbody><tr><td>Colin P Dempster</td><td>Robert H Kelly</td></tr><tr><td>Ernst & Young LLP</td><td>Ernst & Young LLP</td></tr><tr><td>Atria One, 144 Morrison Street</td><td>1 Bridgewater Place</td></tr><tr><td>Edinburgh</td><td>Leeds</td></tr><tr><td>EH3 8EX</td><td>LS11 5QR</td></tr></tbody></table>	Colin P Dempster	Robert H Kelly	Ernst & Young LLP	Ernst & Young LLP	Atria One, 144 Morrison Street	1 Bridgewater Place	Edinburgh	Leeds	EH3 8EX	LS11 5QR
Colin P Dempster	Robert H Kelly										
Ernst & Young LLP	Ernst & Young LLP										
Atria One, 144 Morrison Street	1 Bridgewater Place										
Edinburgh	Leeds										
EH3 8EX	LS11 5QR										
Telephone number:	+44 131 777 2000										
Name of alternative person to contact with enquiries about the case:	Matthew Piper										

API Group Limited (in Administration)

Receipts and Payments account for the period 31 January 2020 to 6 November 2020

Statement of Affairs		Total in the period 31 January 2020 to 30 July 2020	Paid in the period 31 July 2020 to 6 November 2020	Total paid in the period 31 January 2020 to 6 November 2020
estimated to realise	Receipts			
435,662.00	Cash on appointment	430,236.21		430,236.21
46,000.00	Prepayments & other debts	4,886.28		4,886.28
	Consideration - Poland Shares	1.00		1.00
	Consideration - Poland Assignment of Debt	1.00		1.00
	Bank Interest received	1,411.55	4.83	1,416.38
	Total	436,536.04	4.83	436,540.87
	Payments	£		£
	Joint Administrators' Fees	-	(49,090.00)	(49,090.00)
	Legal Fees	-	(16,189.11)	(16,189.11)
	Public Notices	(35.44)	-	(35.44)
	Storage Charges	(100.08)	-	(100.08)
	Bank charges and interest	(126.90)	(0.60)	(127.50)
	Total	(262.42)	(65,279.71)	(65,542.13)
	Balance in hand	436,273.62	(65,274.88)	370,998.74
	Represented by:			
	Royal Bank of Scotland			357,926.38
	VAT Receivable			13,045.82
	VAT Control Account			26.54
	Total			370,998.74

Notes:

1) The receipts and payments are stated net of VAT or other applicable goods and services taxes.

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

API Group Limited (in Administration)

Summary of Administrators' expenses incurred

Type of Expense	Per revised estimate dated 28 August 2020	Paid in period to 30 July 2020	Paid in period to 31 July 2020 to 6 November 2020	Outstanding	Revised Estimate
Payments made from the estate which are not disbursements (see notes 1 and 2)					
Legal Fees	16,000	-	16,189	-	16,189
Statutory costs	75	35	-	40	75
Storage costs	2,000	100	-	1,900	2,000
Bank charges and interest	200	127	-	73	200
Total	18,275	263	16,189	2,012	18,464
Category 1 disbursements					
Accommodation and subsistence	60	-	-	60	60
Travel costs (excluding mileage)	150	-	-	150	150
Total	210	-	-	210	210
Category 2 disbursements					
Mileage	-	-	-	-	-
Total	18,485	263	16,189	2,222	18,485

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 disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.

Appendix 4

API Group Limited (in Administration)

Administrators' time costs for the period from 31 January 2020 to 6 November 2020 and a comparison with the Fee Estimate dated 26 February 2020

	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	10	1,687	169	12	2,630	229	107	30,823	289
Bank & Statutory Reporting	6	4,191	699	12	3,127	254	26	10,173	394
Creditors	29	12,033	415	7	1,534	213	26	10,463	406
Debtors	8	1,283	160	-	-	-	8	1,283	171
Employee Matters	22	13,352	607	5	2,376	516	27	15,900	596
General	-	-	-	3	445	171	33	6,757	207
Investigation & CDDA	12	3,562	297	-	-	-	13	3,712	286
Job Acceptance & Strategy	13	2,455	189	-	-	-	24	4,155	171
Legal Issues	-	-	-	0	55	549	0	55	549
Other Assets	-	-	-	-	-	-	2	291	171
Public Relations issues	2	1,242	621	-	-	-	2	1,250	625
Retention of Title	1	154	154	-	-	-	1	154	171
Statutory Duties	23	8,363	364	21	4,825	229	46	14,139	306
Trading	0	51	170	2	410	171	3	846	249
VAT & Taxation	2	718	359	3	755	280	8	1,593	210
Total	128	49,091	383	65	16,155	250	324	101,592	313

	Staff Grade						Total Hours	Total Cost (£)	Average Rate (£)
	Partner	Director	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	-	1.5	3.0	8.0	55.1	39.1	106.7	30,823	289
Bank & Statutory Reporting	2.5	5.0	4.8	-	0.5	13.0	25.8	10,173	394
Creditors	4.5	-	8.4	-	-	12.9	25.8	10,463	406
Debtors	-	-	-	-	-	7.5	7.5	1,283	171
Employee Matters	-	24.3	0.8	-	-	1.6	26.7	15,900	596
General	1.0	-	-	1.5	1.0	29.1	32.6	6,757	207
Investigation & CDDA	-	-	1.9	3.0	-	8.1	13.0	3,712	286
Job Acceptance & Strategy	-	-	-	-	-	24.3	24.3	4,155	171
Legal Issues	-	-	0.1	-	-	-	0.1	55	549
Other Assets	-	-	-	-	-	1.7	1.7	291	171
Public Relations issues	-	2.0	-	-	-	-	2.0	1,250	625
Retention of Title	-	-	-	-	-	0.9	0.9	154	171
Statutory Duties	1.0	-	7.8	9.7	1.0	26.7	46.2	14,139	306
Trading	-	-	0.7	-	-	2.7	3.4	846	249
VAT & Taxation	-	-	0.3	0.7	-	6.6	7.6	1,593	210
Total Hours	9.0	32.8	27.8	22.9	57.6	174.2	324.3		
Time Costs (£)	7,290	20,500	15,262	9,801	18,950	29,788		101,592	
Average Hourly Rate (£)	810	625	549	428	329	171		313	

Appendix 4

Category of work	Description of work completed
Accounting & Administration	<ul style="list-style-type: none"> ▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.
Bank and Statutory Reporting	<ul style="list-style-type: none"> ▶ Regular reporting to the secured creditor. ▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.
Creditors	<ul style="list-style-type: none"> ▶ Dealing with creditor claims. ▶ Correspondence with creditors. ▶ Processing distributions to the secured, preferential and unsecured creditors (as applicable).
Debtors	<ul style="list-style-type: none"> ▶ Collection of the debtor book, negotiations with customers ▶ Monitoring and recording cash receipts
Employee Matters	<ul style="list-style-type: none"> ▶ Assessing staffing requirements and making redundancies. ▶ Dealing with employee enquiries. ▶ Processing employee claims (if applicable).
Investigations	<ul style="list-style-type: none"> ▶ Investigations into the Companies affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". ▶ The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986.
Job Acceptance & Strategy	<ul style="list-style-type: none"> ▶ Matters relating to the appointments and initial planning of the Administration strategy, including meetings with the Companies' directors and management and formulating and executing the strategy adopted. ▶ Considering exit routes from Administration and implementing the most appropriate route.
Other Assets	<ul style="list-style-type: none"> ▶ Realizing the Companies' assets. ▶ Assessing, quantifying and seeking to realize value from assets not recorded in the management accounts of the Companies at the date of appointment.
Public Relations	<ul style="list-style-type: none"> ▶ Agreeing and issuing statements to the press as required in pursuit of the Administration strategies.
Retention of Title	<ul style="list-style-type: none"> ▶ Assessment and settlement or rejection of claims for retention of title from the Companies' suppliers (if applicable).
Statutory Duties	<ul style="list-style-type: none"> ▶ Complying with statutory requirements of the Administrations, including notifications to creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, and sending to creditors and filing at Companies House.
VAT & Taxation	<ul style="list-style-type: none"> ▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.