

**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND  
REQUIRE YOUR IMMEDIATE ATTENTION**

**If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are in the UK or, if not, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all your ordinary shares in Active Energy Group Plc (the **Company**), please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into the United States, Canada, Australia, the Republic of South Africa or Japan or any other jurisdiction if to do so would constitute a violation of the laws of such jurisdiction. If you have sold or transferred only part of your holding of shares in the Company, please retain this document and the accompanying Form of Proxy and contact the stockbroker, bank or other agent who arranged the sale or transfer as soon as possible.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdictions.



**ACTIVE ENERGY GROUP PLC**

*(incorporated in England and Wales with company number 03148295)*

**Proposed cancellation of trading of the Company's shares on AIM,**

**Proposed members voluntary liquidation**

**and**

**Notice of General Meeting**

---

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company, which sets out the directors' recommendations.

Allenby Capital Limited ("Allenby Capital") which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and for no-one else in relation to the matters and arrangements referred to in this document. Allenby Capital will not regard any other person (whether or not a recipient of this document) as its client in relation to any of the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the contents of this document or any transaction or arrangement referred to in it. Apart from the responsibilities and liabilities, if any, which may be imposed on Allenby Capital by the FSMA or the regulatory regime established thereunder, Allenby Capital makes no representation, express or implied, in relation to, nor accepts any responsibility

whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company or the matters referred to in this document. Allenby Capital, accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this document or any other statement.

Notice of a General Meeting of the Company to be held at 10.30 a.m. on 22 July 2024 at the offices of Allenby Capital, 5 St. Helen's Place, London, EC3A 6AB is set out at the end of this document. The Form of Proxy for use at the General Meeting accompanies this document.

The action to be taken by Shareholders in respect of the General Meeting is set out on page 13 of this document. If you hold your Ordinary Shares in certificated form, whether or not you plan to attend the General Meeting, you are encouraged to complete the Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post or, during normal business hours only, by hand, to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX by no later than 10.30a.m. 18 July 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). Completion and return of a Form of Proxy will not prevent you from attending and voting at the meeting in person should you wish to do so.

## CONTENTS

<b>DIRECTORS, SECRETARY AND ADVISERS.....</b>	<b>4</b>
<b>EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....</b>	<b>5</b>
<b>LETTER FROM THE CHAIRMAN OF THE COMPANY. ....</b>	<b>6</b>
<b>NOTICE OF GENERAL MEETING .....</b>	<b>13</b>

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	James Gerald Leahy Thomas Michael Strafford Rowan Maxwell Francis Aitken Jason Leonard Zimmermann	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i>  <i>Non-Executive Director</i> <i>Non-Executive Director</i>
<b>Company Secretary</b>	Cargil Management Services Limited	
<b>Company Website</b>	<a href="http://www.aegplc.com">www.aegplc.com</a>	
<b>Registered Office</b>	Eastcastle House 27/28 Eastcastle Street London W1W 8DH	
<b>Nominated Adviser</b>	<b>Allenby Capital Limited</b> 5 St. Helen's Place London EC3A 6AB	
<b>Broker</b>	<b>Allenby Capital Limited</b> 5 St. Helen's Place London EC3A 6AB	
<b>Registrars</b>	<b>Share Registrars Limited</b> 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX	
<b>Restructuring Adviser &amp; Proposed Liquidator</b>	<b>A D Business Recovery Limited</b> 2nd Floor Milstrete House 29 New Street Chelmsford Essex CM1 1NT	

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

### Expected timetable of principal events<sup>(1)</sup>

Announcement of the proposed Cancellation pursuant to AIM Rule 41	20 June 2024
Last day of dealings in the Ordinary Shares on AIM	28 June 2024
Suspension in the trading of the Ordinary Shares RNS Announcement concerning the suspension of trading in the Ordinary Shares	7:30 a.m. on 1 July 2024
Posting of the Circular to Shareholders RNS Announcement concerning despatch of circular to members required?	<b>4 July 2024</b>
<b>Time and date of General Meeting</b>	<b>10:30 a.m. on 22 July 2024</b>
Anticipated date to announce results of the General Meeting	22 July 2024
<b>Cancellation of admission of the Ordinary Shares to trading on AIM</b>	<b>7.00 a.m. on 23 July 2024</b>

*<sup>1</sup>All times are references to London times. Each of the above times and dates is based on the Company's expectations as at the date of this document. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service*



## LETTER FROM THE CHAIRMAN

### ACTIVE ENERGY GROUP PLC

*(Incorporated and Registered in England and Wales, with company number 03148295)*

#### Directors:

James Gerald Leahy (*Non-Executive Chairman*)  
Michael Rowan (*Chief Executive Officer*)  
Maxwell Francis Aitken (*Non-Executive Director*)  
Jason Zimmermann (*Non-Executive Director*)

#### Registered office:

Eastcastle House  
27/28 Eastcastle Street  
London  
W1W 8DH

*To: Shareholders (and, for information only, the holders of warrants, awards and options over or relating to Ordinary Shares)*

4<sup>th</sup> July 2024

Dear Shareholder,

### Proposal for the Cancellation of admission of Ordinary Shares to trading on AIM and Members' Voluntary Liquidation of the Company

#### 1. Introduction

On 9 April 2024, Active Energy announced that the Board had concluded that it would not be possible to raise sufficient working capital for the Company to continue the commercialisation of the CoalSwitch® Assets and, as a result, the Board was seeking a buyer for those assets. On 13 May 2024, the Company announced that, should the Company fail to receive an acceptable offer for its CoalSwitch® Assets, the Board would have no option but to consider a members' voluntary liquidation of the Company.

The Company has evaluated a number of potential offers for the CoalSwitch® Assets, alongside other routes to raise equity financing for the Company. However, whilst discussions regarding some of these opportunities continue, the Board are of the view that, should these discussions terminate, then the most appropriate course of action is for the Company to seek shareholder approval to:

- (i) cancel the admission of the Ordinary Shares to trading on AIM; and
- (ii) place the Company into a members' voluntary liquidation.

The Resolutions to approve the Proposals are to be proposed at the General Meeting, which has been convened for 10:30 a.m. on 22 July 2024 at the offices of Allenby Capital, 5 St. Helen's Place, London, EC3A 6AB. Notice of the General Meeting is set out at the end of this document.

The purpose of this document is to seek Shareholders' approval for the Proposals, to provide you with information on the background to and reasons for the Proposals, explain the consequences of the Cancellation becoming effective and why the Directors unanimously consider that the Proposals are in the best interests of the Company and its Shareholders as a whole.

#### 2. Cancellation Process

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per

cent. of votes cast by Shareholders at a general meeting. Accordingly, the Notice of General Meeting set out at the end of this document contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date and to notify shareholders. In accordance with AIM Rule 41, the Company has notified the London Stock Exchange of its intention, subject to the passing of the special resolution numbered 1 in the notice of General Meeting set out at the end of this document to approve the Cancellation at the General Meeting, to cancel admission of the Ordinary Shares to trading on AIM. It is expected that the Liquidator will be appointed immediately upon the passing of the appointment resolution at the General Meeting and the Cancellation will become effective at 7.00 a.m. on 23 July 2024, being the Business Day following the General Meeting. If the Cancellation becomes effective, the Company will no longer be required to comply with the AIM Rules and Allenby Capital Limited will immediately cease to be the Company's nominated adviser and broker.

### **Principal effects of the Cancellation**

Prior to the Company being dissolved pursuant to the MVL, the principal effects of the Cancellation will be that:

- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events and the requirement that the Company seek shareholder approval for certain corporate actions where applicable, including substantial transactions, financing transactions, reverse takeovers and fundamental changes in the Company's business, related party transactions and certain acquisitions and disposals;
- the levels of transparency and corporate governance applicable to the Company will not be as high as for a company whose shares are admitted to trading on AIM;
- following approval of the MVL by Shareholders at the General Meeting, Shareholders will not be able to transfer Ordinary Shares without the prior consent of the Liquidator. In addition, there will be no formal market mechanism enabling Shareholders to trade in Ordinary Shares;
- as a result of the MVL being approved by Shareholders at the General Meeting the Company will cease to trade and in the absence of a formal market in, and quotation of, the Ordinary Shares, it may be more difficult for Shareholders to determine the value of their shareholding in the Company at any given time. Although, in the event that the liquidator is able to declare and pay a distribution to shareholders, that distribution will be a capital distribution. Any shareholders seeking to establish the effects of the liquidation distribution upon their affairs should pass a copy of their distribution letter to their tax and financial advisers
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- the Company will cease to have a nominated adviser and broker;
- the Company's CREST facility will be cancelled and Ordinary Shares will cease to be transferable through CREST. Given the appointment of the liquidator at the general meeting, Shareholders who hold Ordinary Shares in CREST would not receive definitive share certificates; and
- the Cancellation may have taxation consequences for Shareholders. **Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.**

Subject to, and prior to the conclusion of the winding-up of, the Company's affairs pursuant to the MVL, the Company will remain incorporated and registered in England and Wales under the Companies Acts 1985 to 2006, notwithstanding the Cancellation becoming effective. Shareholders should also note that the Takeover Code will continue to apply to the Company during the period following the Cancellation and prior to the commencement of the MVL. The Company will also continue to be bound by its Articles following the Cancellation becoming effective.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Directors are not intending to put in place any mechanism for Shareholders to deal in the Ordinary Shares post Cancellation, as it is anticipated that the Company will be placed into the MVL at the General Meeting.

### **3. Members' Voluntary Liquidation**

The Proposals involve the Company being placed into a members' voluntary liquidation and the trading of the Ordinary Shares cancelled from trading on AIM. Should the resolution to approve the appointment of the Liquidator be passed at the General Meeting the Company will be wound-up in accordance with the Insolvency Act 1986. Following his appointment, the Liquidator will assess the Company's financial position and, when he is in a position to do so, a distribution will be made to shareholders. However, at this time the Board anticipate that any distribution to shareholders would be de minimis, if at all, unless the Liquidator is able to realise a material cash value for its remaining assets.

Shareholders should note that the Company is solvent and the MVL is not an insolvent liquidation.

The Company's assets are made up primarily of its cash balances, in addition to any value that the Liquidator is able to realise from the CoalSwitch® Assets and the shares held in Alpha Prospects Limited. The liabilities of the Company are expected to be less than the cash balances held and the Directors anticipate that the Liquidator will undertake a distribution of any surplus funds in accordance with the Insolvency Act 1986 as amended, the Companies Act 2006 and the Company's Articles. The MVL will allow the orderly winding-up of its affairs, and upon the conclusion of the MVL, the Company will be dissolved.

As set out in the Company's announcement on 13 May 2024, the Company's CoalSwitch® Assets comprise:

- i) the Company's original patent and trademark portfolio on the steam explosion process to produce the fuel;
- ii) all production and test data knowhow acquired from the initial production activities at Player Design Inc's facility at Ashland in Maine that may be applicable for the future production analysis for additional biomass products; and
- iii) all the relevant customer and internal test data.

The Group's other assets currently comprise:

- i) cash and cash equivalents of approximately £256,650; and
- ii) a 4.1% shareholding in Alpha Prospects Limited ("Alpha Prospects") which has a book value of approximately £0.68m. Alpha Prospects is an unquoted investment company that focuses on green technology investments, and it has incubated several new technologies in recent years. Within its portfolio, Alpha Prospects' latest focus is upon plasmoid related technologies and the commercial development of this technology for application in the United States, Asia, India and the United Kingdom.

The Board estimates that the costs and expenses of the Proposals will amount to approximately £61,182, which includes the fees of the Liquidator, the costs of terminating the Director's contracts and estimated costs for concluding the winding up of the group of companies for which the Company is the ultimate parent company. A summary of the estimated costs is provided within Appendix A.

It is currently expected, based upon the estimated costs, that a de minimis distribution of 0.001p per Ordinary share is expected to be made.

The distribution will not be made until the Liquidator has completed statutory duties to adjudicate and pay creditors' claims and is satisfied that all tax returns due to HMRC have been dealt with and all



amounts owing have been paid.

The precise timing of the distribution is uncertain (although it is expected to be at least 12 months from the commencement of the MVL before a final distribution can take place, due to the need to deal with the Company's remaining outstanding affairs.

The Liquidator will subsequently prepare a final account which will be sent to Shareholders giving eight weeks' notice of the date upon which the Liquidator intends to deliver the final account to the Registrar of Companies. The Company will be dissolved on the expiry of three months following the filing of the final account with the Registrar of Companies.

#### **4. General Meeting**

Set out at the end of this document is a notice convening the General Meeting to be held at 10:30 a.m. on 22 July 2024 at the offices of Allenby Capital, 5 St. Helen's Place, London, EC3A 6AB at which the Resolutions will be proposed.

The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions, as set out in full in the Notice of General Meeting. To be passed, Resolution 1 (the "Cancellation Resolution") requires, pursuant to AIM Rule 41 of the AIM Rules, the consent of not less than 75 per cent. of votes cast by the Company's shareholders at the General Meeting.

The winding up resolutions proposed in relation to the appointment of the Liquidator and the Liquidator's fees, are proposed as Special and Ordinary Resolutions (in accordance with the Insolvency Act 1986 (as amended) and the Companies Act 2006).

#### **5. Action to be taken**

Enclosed with this Circular is a Form of Proxy for use by Shareholders. Information on the completion and return of Forms of Proxy is set out below and in the notes to the Notice of General Meeting.

Your proxy may be submitted online by visiting [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate your user name and access code on the top of the proxy form), or by post by completing the enclosed Form of Proxy and returning it to the Company's Registrar, Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX not less than 48 hours (ignoring any part of the day that is not a working day) before the time appointed for the meeting, being **10:30 a.m. on 22 July 2024**, or any adjournment thereof together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney. CREST members who wish to appoint a proxy or proxies via the CREST electronic proxy appointment service should refer to the Notes of the Notice of General Meeting and Form of Proxy.

#### **6. Recommendation**

The Board considers that the Resolutions set out in the Notice are in the best interests of the Company and of its shareholders as a whole and unanimously recommend shareholders to vote in favour of them, as each of the directors intends to do in respect of their own beneficial holdings.

Yours faithfully,

**James Gerald Leahy**  
**Non-Executive Chairman**

## DEFINITIONS

The following definitions apply throughout this document and in the Form of Proxy, unless the context requires otherwise:

<i>Term</i>	<i>Definition</i>
<b>“Act”</b>	the UK Companies Act 2006, as amended;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time;
<b>“Allenby Capital”</b>	Allenby Capital Limited, the Company’s Nominated Adviser in accordance with the AIM Rules;
<b>“Articles”</b>	the articles of association of the Company from time to time;
<b>“Board”</b>	the board of directors of the Company for the time being;
<b>“Business Day”</b>	a day other than a Saturday, Sunday or public holiday on which banks are open for commercial business in the City of London;
<b>“Cancellation”</b>	the proposed cancellation of admission of the Ordinary Shares to trading on AIM;
<b>“CoalSwitch® Assets”</b>	the Company’s CoalSwitch® assets, as set out herein;
<b>“Company”</b>	Active Energy Group plc, a company registered in England and Wales with registered number 03148295;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as also defined in the CREST Regulations);
<b>“CREST Manual”</b>	the rules governing the operation of CREST as published by Euroclear;
<b>“CREST Member”</b>	a person who has been admitted to CREST as a system-member, (as defined in the CREST Manual);
<b>“CREST Participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>“Directors”</b>	the directors of the Company at the date of this document;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority;
<b>“Form of Proxy”</b>	the form of proxy accompanying this circular for use by Shareholders in relation to the General Meeting;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
<b>“General Meeting”</b>	the general meeting of the Company to be held at the offices of Allenby Capital at 5 St. Helen’s Place, London, EC3A 6AB at 10.30 a.m. on 22 July 2024;
<b>“Group”</b>	the Company and its subsidiary undertakings from time to time
<b>“HMRC”</b>	HM Revenue & Customs;
<b>“Insolvency Act”</b>	the Insolvency Act 1986 (as amended);

<b>“Liquidator”</b>	the proposed liquidator of the Company, being Andrew Dix of AD Business Recovery Limited;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Market Abuse Regulation”</b>	the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019;
<b>“MVL”</b>	the proposed members’ voluntary liquidation of the Company;
<b>“Ordinary Resolution”</b>	has the meaning given in section 282 of the Act;
<b>“Ordinary Shares”</b>	ordinary shares of par value £0.0035 each in the capital of the Company;
<b>“Proposals”</b>	the proposals for Cancellation, the MVL and the appointment of the Liquidator;
<b>“Register”</b>	the register of members of the Company;
<b>“Registrar”</b>	Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX.
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting to approve the Cancellation and appointment of the Liquidator as set out in the notice of General Meeting;
<b>“Shareholders”</b>	the persons who are registered as holders of the Ordinary Shares;
<b>“Special Resolution”</b>	Has the meaning giving in section 283 of the Act;
<b>“Sterling” or “£”</b>	the legal currency of the UK;
<b>“Takeover Code”</b>	the UK City Code on Takeovers and Mergers;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland.

---

**ACTIVE ENERGY GROUP PLC**

*(incorporated in England and Wales with company number 03148295)*

**Notice of General Meeting****Notice of General Meeting**

**Notice of a General Meeting of Active Energy Group Plc to be held at 10:30 a.m. on Monday, 22 July 2024 at the offices of Allenby Capital, 5th Floor, 5 St. Helen's Place, London EC3A 6AB, is set out at the end of this document. Your proxy may be submitted online by visiting [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate your user name and access code on the top of the proxy form), or by post by completing the enclosed Form of Proxy and returning it to the Company's Registrar, Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, as soon as possible but in any event so as to be received by no later than 18 July 2024 at 10:30 a.m. or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting (excluding non-working days). The return of a proxy appointment will not preclude a Shareholder from attending and voting at the General Meeting in person or online should he or she subsequently decide to do so.**

## **ACTIVE ENERGY GROUP PLC**

*(Incorporated and registered in England and Wales under number 03148295)*

### **NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the General Meeting of Active Energy Group Plc will be held at **the offices of Allenby Capital, 5 St. Helen's Place, London EC3A 6AB** on 22 July 2024 at 10:30 a.m. for the purpose of considering and, if thought fit, to consider and, if thought fit, pass the following resolutions:

Resolutions 1-3 which are proposed as special resolutions in connection with the proposed cancellation of the company's ordinary shares on AIM, the liquidation of the company and the proposed liquidator's powers in relation to liquidation distributions and,

Resolutions 4-5 in connection with the appointment of the liquidator and the basis of his remuneration.:

#### **SPECIAL RESOLUTIONS**

- 1. THAT**, the directors of the Company be generally and unconditionally authorised to cancel the listing of the issued ordinary shares in the Company trading on AIM, the market of that name operated by London Stock Exchange plc
- 2. THAT** the Company be wound up voluntarily.
- 3. THAT** in accordance with the provisions of the Company's Articles of Association, the Liquidator be and is hereby authorised to: -
  - a. Divide among the members of the Company in specie the whole or any part of the assets of the Company.
  - b. Value any assets and determine how the division shall be carried out as between the members or different classes of members, or
  - c. Vest the whole or any part of the assets in trustees upon such trust for the benefit of the members as the Liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is any liability.'

#### **ORDINARY RESOLUTIONS**

- 4. THAT** Andrew Dix of AD Business Recovery Limited, 2nd Floor, Milstrete House, 29 New Street, Chelmsford, Essex, CM1 1NT, be appointed Liquidator of the Company for the purposes of the voluntary winding-up.
- 5. THAT** the Liquidator's remuneration shall be fixed on the basis of a set amount as approved by the Board

**Dated: 4<sup>th</sup> July 2024**

**Registered Office:**

Eastcastle House  
27/28 Eastcastle Street  
London  
W1W 9DH

**By order of the Board:**

Cargil Management Services Limited  
Company Secretary

**Notes:**

1. Shareholders will only be entitled to attend and vote at the General Meeting if they are registered as the holders of Ordinary Shares at **10:30 a.m. on Thursday 18 July 2024**. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to vote at the adjourned meeting is 48 hours prior to the date and time fixed for the adjourned meeting (ignoring any part of the day that is not a working day). Changes to entries on the register of members of the Company later than the time and date falling 48 hours prior to the meeting (or any adjournment thereof) will be disregarded in determining the rights of any person to vote at the meeting.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, vote and speak at the meeting provided each proxy is appointed to exercise rights attached to different shares. A proxy need not be a shareholder of the Company.
3. You can register your vote(s) for the General Meeting either:
  - by visiting [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate your user name and access code on the top of the proxy form);
  - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX using the proxy form accompanying this notice;
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 6 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 10:30 a.m. on 18 July 2024.

4. Shareholders can:
  - appoint a proxy or proxies and give proxy instructions by voting online (see note 3) or returning the enclosed form of proxy by post (see note 5); or
  - if a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see note 6).
5. A form of proxy is enclosed for use by the shareholders of the Company. To be effective, it must be deposited with the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX so as to be received no later than 48 hours before the time appointed for holding the meeting (ignoring any part of the day that is not a working day). Completion of the proxy does not preclude a shareholder from subsequently attending and voting at the meeting or voting online if he or she so wishes. In the case of a shareholder which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
6. Shareholders may terminate a proxy instruction, but to do so that shareholder will need to inform the Company in writing by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Share Registrars Limited no later than 48 hours before the time appointed for holding the meeting (ignoring any part of the day that is not a working day). If a shareholder attempts to revoke a proxy appointment but the revocation is received after the time specified, the original proxy appointment will remain valid unless the shareholder attends the meeting and votes in person.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. For a proxy appointment or instructions made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Ltd ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID:7RA36) no later than 10:30 a.m. on 18 July 2024, or, in the event of an adjournment of the General Meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure

that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
12. The notes to the form of proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.
13. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
14. Shareholders may change proxy instructions by submitting a new proxy appointment. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX on 01252 821390. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
15. Any person to whom this Notice of Meeting is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such Proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of Proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.
16. Any shareholder attending a meeting of the Company has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
  - a. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - b. the answer has already been given on a website in the form of an answer to a question; or
  - c. it is undesirable in the interests of the Company or the good order of the meeting that the questions be answered.
17. As at 4<sup>th</sup> July 2024, being the latest practicable date before publication of this notice, the Company had **161,863,136 Ordinary Shares in issue**. Each Ordinary Share carries one vote and the Company holds no Ordinary Shares in treasury. Therefore, **the total number of voting rights in the Company is 161,863,136**.

**The Notice of the Meeting also contains some items of business relating to the liquidation of the Company. These are explained below:**

**RESOLUTIONS 2 to 5**

18. The directors' powers will cease once the Liquidator has been appointed, unless the Liquidator or the Company in General Meeting, sanctions their continuance. The Directors' statutory obligations do however continue.
  19. The Liquidator will have the authority, pursuant to S.165 of the Insolvency Act 1986 as amended, to exercise any of the powers specified in Parts 1-3 of Schedule 4 of the said Act.
  20. The Liquidator will have no power to continue the Company's business, except for the purposes of the winding up.
  21. The Liquidator will be empowered to make distributions to the members in the form of assets and in specie, should such distributions be advantageous to members.
  22. Prior to the meeting, and to be confirmed at the meeting, a majority of the directors will have made a statutory Declaration of Solvency, *with the awareness of the penalties for making such a declaration without having reasonable grounds for their opinion*, that the Company will be able to pay its debts within the period specified in the declaration.
  23. Prior to the meeting, and to be confirmed at the meeting, the directors will have received from Andrew Dix a written statement that he is qualified to act as an Insolvency Practitioner in relation to the Company and consents to act as the Company's liquidator.
  24. The Liquidator's fees are proposed to be fixed on the basis of a set amount as approved by the board. The board has approved the liquidator's fees in our engagement letter as follows:
    - a. For pre liquidation work and assistance to the board including collaborating with the company's advisory team including accountants, company secretaries, registrars and Nominated Advisor (NOMAD) - £20,000 plus VAT and expenses.
    - b. For Post liquidation work for the entire duration of the liquidation from commencement on 22<sup>nd</sup> July 2024 to closure - £10,000 plus VAT and expenses.
    - c. **IN THE EVENT THAT** the liquidator undertakes a corporate reconstruction by way of S.110 of the Insolvency Act 1986, an additional fee of £10,000.00 plus legal fees, disbursements, and VAT will become payable as set out in the letter of engagement and approved by the Board.
  25. A letter to shareholders and a copy of the guide for shareholders regarding Liquidator's fees is also attached.
-



## **LETTER TO SHAREHOLDERS FROM THE PROPOSED LIQUIDATOR**

Our Ref: AD/PM /MHH/PW/MVL302/A156

4<sup>th</sup> July 2024

To all Members  
To all Directors - for information only

Dear Sir/Madam

### **Active Energy Group PLC ("the Company") - proposed Members' Voluntary Liquidation ("MVL")**

Further to the letter from the Board and other information included in this circular we confirm the following:

AD Business Recovery is part of the team of advisers advising the board on this process and we confirm that the Insolvency Practitioner(s) at this firm are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

Proposals to be put to the members include one for the appointment of a Liquidator from this firm, together with a further resolution regarding the Liquidator's remuneration. A guide to help members understand the law and their rights in relation to determining how the Liquidator will be paid is enclosed, together with details of our charge out rates and policy regarding the recharge of expenses.

We have set out below an outline of the services being provided by AD Business Recovery Limited and will also confirm the basis for charging fees in respect of these services.

### **Scope of our Services**

In the first instance our work has comprised the provision of advice to the directors as to the steps that should be taken prior to formal Liquidation. These steps have included:

- Discussing the timing of the liquidation to minimize potential tax liabilities and the asset realisation strategy required to meet the distribution objectives.
- The arrangements for convening meetings of directors and members, as required by the Companies Act 2006, the company's articles and the Insolvency Act 1986 as amended.
- Providing advice and assistance, where appropriate, regarding any disposal of assets and/or settlement of liabilities that might be necessary to ensure that the balance sheets are as simplified as possible as at the date of Liquidation.
- Working in collaboration with the Company's other advisors such as the Nominated Advisor (NOMAD), accountants, company secretarial team, registrars and solicitors in assisting the Company Secretary/Directors with the preparation for and convening of a general meeting of members of the Company, to authorise the cancellation of the Company's share listing, to place the Company into liquidation and for the appointment of a Liquidator.

2nd Floor, Milstrete House, 29 New Street, Chelmsford, Essex, CM11NT  
Chelmsford | Colchester | Ipswich | London  
[adbusinessrecovery.co.uk](http://adbusinessrecovery.co.uk) | [info@adbusinessrecovery.co.uk](mailto:info@adbusinessrecovery.co.uk) | Tel: 01245 254791 | Fax: 0845 834 0864

Director: Andrew Dix FIPA FABRP (ICAEW Reg. 009327)  
Proprietor: AD Business Recovery Limited  
Registered Office: The Octagon Suite E2, 2nd Floor, Middleborough, Colchester, Essex, CO1 1TG  
Company Number: 04715415

 ICAEW  
LICENSED INSOLVENCY  
PRACTITIONER (UK)

 R3

Printed on 100% Recycled Paper

- Assisting, as necessary, in the preparation of the Declaration of Solvency made up to the latest convenient date, which must be sworn by all or a majority of the directors in the five-week period prior to the passing of the resolutions to place the Company into Liquidation.
- Preparing standard Liquidation documents, including those that need to be filed at Companies House once a Liquidator is appointed and placing the appropriate advertisements in the London Gazette and another publication if appropriate

Thereafter on appointment:

- Realising any remaining assets of the Company as required.
- Settling of expenses of the Liquidation, agreeing and, to the extent that there are assets of the Company available to do so, settling any creditor claims that may be received and distributing the surplus assets of the Company to the members, in accordance with their entitlements.
- Making interim and final distributions to the members as appropriate.
- In conjunction with the Company's existing tax advisors, finalising the tax position with HM Revenue and Customs for both the pre and post Liquidation periods. Please note that the Liquidator will not be responsible for quantifying any resultant tax liabilities arising from distributions to members made during the liquidation. Members should therefore take their own independent tax advice as appropriate.
- Preparing an annual progress report if the Liquidation is not finalised within 12 months, and thereafter as required by statute and issuing the final account to members once the Liquidation has been finalised.
- Filing the final return in the winding up with the Registrar of Companies.

### **Proposed Fees**

Our pre-appointment fee for assisting the board as described, as well as assisting with the convening of the meeting of members to place the Company into Members' Voluntary Liquidation, and in assisting the directors in the preparation of the Declaration of Solvency, will be £20,000 plus VAT and expenses (see below). The scope of the work to be done prior to our appointment is outlined in our letter of engagement and we consider that the basis of the fee proposed will produce a fair and reasonable reflection of the work we anticipate undertaking in order to place the Company into liquidation. This fee shall be paid by the Company prior to it entering liquidation, or otherwise shall be recorded as a creditor in the directors' Declaration of Solvency to be settled by the Liquidator in due course.

The basis of the fees of the Liquidator, once appointed, for the post liquidation work from commencement of the liquidation on 22<sup>nd</sup> July 2024 to closure, will be fixed on the basis of a set amount and approved by the members at the general meeting held to place the Company into liquidation.

This set amount has been agreed with the board in the amount of £10,000 plus VAT and expenses. This is outlined in the letter of engagement and also referred to in this letter. IN THE EVENT THAT the liquidator undertakes a corporate reconstruction by way of S.110 of the Insolvency Act 1986, an additional fee of £10,000.00 plus legal fees, disbursements, and VAT will become payable as set out in the letter of engagement and approved by the Board.

The fee resolution, which is resolution no. 5 in the notice has been drafted to reflect this. The advisory notes on the liquidation resolutions have also been drafted so as to make this clear.



We consider that the basis of the fee proposed for the work to be done following our appointment will produce a fair and reasonable reflection of the work we anticipate carrying out at this stage. If we charged fees on a time spent basis in the alternative, the resultant cost would be likely to exceed the set amount being proposed.

In the event of any material and substantial change in the circumstances of the assignment which we took into account when fixing the above fee, we reserve the right to request a change in the basis of our remuneration, which is likely to be time costs in the alternative. Any amendment in this regard will be agreed with the members should this prove necessary.

It is proposed that the Liquidator shall be entitled to draw the approved fees as and when funds permit. A copy of the guide for shareholders regarding Liquidator's fees is attached and further copies can be downloaded from [www.adbusinessrecovery.co.uk/creditor-reference-suite](http://www.adbusinessrecovery.co.uk/creditor-reference-suite)

### **FUTURE COMMUNICATIONS FROM THE LIQUIDATOR**

The Circular concerning the authorisation of the proposed cancellation of the trading of the Company's ordinary shares on **AIM**, the liquidation of the Company and the subsequent appointment of a liquidator is quite lengthy. Therefore, the proposed Liquidator immediately following his appointment, as part of his work to confirm and verify the share register, will write to the members to obtain confirmation of their preferences concerning their options regarding future communications with the liquidator and his staff and also the payment of any liquidation distributions which may become available.

The Liquidator will provide information to the members in any subsequent progress/final reports about fees, and fee disclosures will be limited to confirmation of time incurred and fees drawn against those costs (where the basis of the liquidator(s) remuneration is agreed on a time cost basis, or the amount of any agreed set fees drawn in the period with expenses incurred, being reported on any accompanying receipts and payments account, unless the overall fee proposed has changed or the liquidator feels it appropriate to disclose additional information to the members.

Yours faithfully



**AD Business Recovery Limited**

Enc



# A SHAREHOLDER'S GUIDE TO LIQUIDATORS' FEES - ENGLAND AND WALES

## 1. Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The members (shareholders), who hope to recover some of their investment, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Liquidator.

The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how members can seek information about expenses incurred by the Liquidator and challenge those they consider to be excessive.

## 2. Liquidation procedure

2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.

2.2 Voluntary liquidation is the more common of the two. A solvent voluntary liquidation is called a members' voluntary liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members vote on the appointment of the Liquidator at a meeting of members or by passing written resolutions under the Companies Act 2006.

## 3. Fixing the Liquidator's remuneration

3.1 The basis for fixing the Liquidator's remuneration is set out in Rules 18.16, 18.17 and 18.19 of the Insolvency (England & Wales) Rules 2016. The Rules state that the remuneration shall be fixed:

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the Liquidator and the Liquidator's staff in attending to matters arising in the liquidation, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the Liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the Liquidator.

Usually in a liquidation, the determination of the basis (or combination of bases) for the Liquidator's remuneration falls to the liquidation committee (if one is formed), however there is no mechanism in insolvency legislation for a committee to be formed in an MVL. Therefore, the basis (or bases) for the Liquidator's remuneration will be fixed by a resolution of a meeting of members (or by written resolution in the alternative), which is usually dealt with at the same time as the Liquidator's appointment. The members shall have regard to the following matters when considering the Liquidator's request:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the Liquidator in connection with the insolvency;
- the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, their duties;
- the value and nature of the assets which the Liquidator has to deal with.

## 4. Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the Liquidator's remuneration was fixed, the Liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

## **5. What information should be provided by the Liquidator?**

### **5.1 When fixing bases of remuneration**

5.1.1 The Liquidator should provide those responsible for approving the basis of remuneration sufficient information to enable them to make an informed judgement about the reasonableness of the Liquidator's request. The information should be presented in such a manner which is transparent, consistent throughout the life of the case, while being proportionate to the circumstances of the case.

### **5.2 Estimate of fees where remuneration is based on time costs**

5.2.1 Although the provisions contained within the insolvency legislation regarding fee estimates do not apply to MVLs, if any part of the remuneration is sought on a time costs basis, the Liquidator should provide sufficient information to the members about the anticipated cost of the work to be done, based on information provided by the directors of the company at the outset, together with information about any anticipated expenses.

If the scope of the work the Liquidator anticipates changes, the Liquidator will liaise with the members during the Liquidation to provide an update on the likely costs associated with winding up the company's affairs.

### **5.3 Other**

#### **5.3.1 General principles**

When reporting, the Liquidator should disclose:

- Payments, remuneration and expenses arising from the Liquidation paid to the Liquidator or any associates
- Any business or personal relationships with parties responsible for approving the Liquidator's remuneration or who provide services to the Liquidator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest

The Liquidator should inform members of their rights under insolvency legislation and should advise them how they may access suitable information setting out their rights, within the first communication and in each subsequent Report.

Where the proposed charge is calculated on a time costs basis, the Liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or the Liquidator's staff.

### **5.4 After the bases of remuneration have been fixed**

The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

### **5.5 Expenses**

5.5.1 Costs met by and reimbursed to the Liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 expenses: These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example,

advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.

- Category 2 expenses: These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 expenses can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 expenses may be drawn if they have been approved in the same manner as the Liquidator's remuneration. When seeking approval, the Liquidator should explain, for each category of expense, the basis on which the charge is being made.

5.5.2 The following are not permissible:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the Liquidator's remuneration;
- the recovery of any overheads other than those absorbed in the charge out rates.

## **5.6 Realisations for secured creditors**

Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), the amount of that remuneration should be disclosed to any meeting of members convened for the purpose of determining the Liquidator's fees, and in any reports sent to members.

## **6. Progress reports and requests for further information**

6.1 The Liquidator is required to send annual progress reports to members. The reports must include:

- details of the basis fixed for the remuneration of the Liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the Liquidator during the period of the report, irrespective of whether payment was actually made during that period;
- details of progress during the period of the report, including a summary of the receipts and payments during the period;
- details of what remains to be done;
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 Within 21 days of receipt of a progress report, a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report. Any request must be in writing.

6.3 The Liquidator must provide the requested information within 14 days, unless it is considered that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation, or
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested

Any member may apply to the court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.

## **7. What if a member is dissatisfied?**

7.1 As noted above, in an MVL, it is the members as a body who have authority to approve the Liquidator's fees. To enable them to carry out this function they may require the Liquidator to call a

members' meeting. In order to do this at least ten per cent in value of the members must concur with the request, which must be made to the Liquidator in writing.

7.2 If a member believes that the Liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the Liquidator are in all the circumstances excessive, they may, provided certain conditions are met, apply to the court.

## **8. What if the Liquidator is dissatisfied?**

If the Liquidator considers that the remuneration fixed by the members is insufficient, or that the basis used to fix it is inappropriate, the Liquidator may apply to the court for the amount or rate to be increased or the basis changed.

If the Liquidator decides to apply to the court, at least 14 days' notice of the application must be given to the shareholders, or such one or more of them as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

## **9. Other matters relating to remuneration**

9.1 Where the Liquidator realises assets on behalf of a secured creditor, the Liquidator is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the Liquidator will agree the fee basis for dealing with charged assets, with the secured creditor concerned.

9.2 Where two (or more) joint Liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, or to a meeting of members.

9.3 If the appointed Liquidator is a solicitor and employs their own firm to act in the insolvency, profit costs may not be paid unless authorised by the members or the court.

9.4 If a new Liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination, resolution or court order is made.

9.5 Where the basis of the remuneration is a set amount, and the Liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between them.

## **10. Effective date**

This guide applies where a company goes into liquidation on or after 1 April 2021.

## FEES & EXPENSES POLICY STATEMENT

This statement has been prepared in accordance with the guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals.

Unless otherwise fixed in accordance with The Insolvency Act 1986, fees are charged by reference to time costs incurred and charged at the company's usual rates applicable at the time the work is carried out.

Each statutory report issued containing an account of receipts and payments will be accompanied by an analysis of fees and expenses accrued.

### Remuneration Policy

- Directors and staff (but not administrative staff) are allocated and charge at a pre-set rate which is reviewed from time to time. The rates are fixed from 1 September 2022 and are as follows:

Director	£475 per hour
Associate Director	£350 per hour
Manager	£300 per hour
Senior Administrator	£250 per hour
Administrator	£225 per hour
Junior Administrator	£200 per hour
Assistants and Support Staff	£175 per hour

- Time is recorded in 6 minute units
- Time billed is subject to Value Added Tax (VAT)

### Expenses Policy Commencing 1 April 2021

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

#### Category 1 expenses:

- These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.
- Where applicable, expenses recharged to or incurred directly are subject to VAT.

#### Category 2 expenses:

- These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The only charge we make under category 2 is business mileage at 45 pence per mile. Andrew Dix is licensed to act as an Insolvency Practitioner in the UK by the institute of Chartered Accountants of England and Wales.

2nd Floor, Milstrete House, 29 New Street, Chelmsford, Essex, CM11NT  
Chelmsford | Colchester | Ipswich | London

[adbusinessrecovery.co.uk](http://adbusinessrecovery.co.uk) | [info@adbusinessrecovery.co.uk](mailto:info@adbusinessrecovery.co.uk) | Tel: 01245 254791 | Fax: 0845 834 0864

Director: Andrew Dix ~~CPA FARRR~~ (ICAEW Reg. 008327)  
Proprietor: AD Business Recovery Limited  
Registered Office: The Octagon Suite E2, 2nd Floor, Middleborough, Colchester, Essex, ~~CO1~~ 1TG  
Company Number: 04715415

ICAEW  
LICENSED INSOLVENCY  
PRACTITIONER (UK)



Printed on 100%  
Recycled Paper