

**Arrival Automotive UK Limited  
(in Administration)  
(‘AUTO’ or ‘the Company’)**

**Joint Administrators’ Progress Report for the period from  
5 February 2025 to 31 July 2025**

Pursuant to Rule 18.3 of the Insolvency (England and Wales)  
Rules 2016



TO ALL KNOWN CREDITORS

31 July 2025

Ref: TRS/Arrival/SE/LN/LJ

Email: aukadministration@uk.ey.com

Dear Sir or Madam

**Arrival Automotive UK Limited (in Administration) ('AUTO' or 'the Company')**

**The High Court of Justice, Business and Property Courts of England and Wales,  
Insolvency and Companies List (ChD), Court Case Number CR-2024-00065**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"), to provide the creditors with our final progress report in the Administration. This report (the 'Final Report') covers the period from 5 February 2025 to 31 July 2025 ('the Period') and should be read in conjunction with:

- the Joint Administrators' statement of proposals dated 28 March 2024 ('the Proposals');
- the update to creditors dated 25 April 2024;
- our first progress report dated 29 August 2024; and
- our second progress report dated 28 February 2025 (all together 'Updates to Creditors')

All of the documents listed above can be viewed and downloaded at the following web address, <https://www.ips-docs.com/>, using creditor key code **Arrival Automotive UK Limited**. To access the site, you can either use your unique ID that you have previously received or 'password'.

The Company entered Administration on 5 February 2024 and Alan Hudson, Sam Woodward and I were appointed to act as Joint Administrators (the 'Joint Administrators'). The appointment was made by the Court under the provisions of paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986.

As licensed Insolvency Practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration. Certain statutory information about the Company, the Administration and the office holders is given at *Appendix 1*.

Yours faithfully  
for the Company

A handwritten signature in black ink, appearing to read 'S Edel', is written over a light blue horizontal line.

Simon Edel  
Joint Administrator

Simon Edel and Alan Hudson are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association. Sam Woodward is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The affairs, business and property of the Company are being managed by the Joint Administrators, Simon Edel, Alan Hudson and Sam Woodward 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 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 Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointments. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](https://www.ey.com/uk/officeholderprivacy).

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## 1 Abbreviations

The following abbreviations are used in this report and the Updates to Creditors, which should be read in conjunction with this report:

<b>AFA</b>	Administration Funding Agreement between AUK and AUTO as the Borrowers, and the Joint Administrators and the following entities as the lenders: <ul style="list-style-type: none"> <li>• Highbridge Tactical Credit Institutional Fund Ltd.;</li> <li>• Highbridge Tactical Credit Master Fund, L.P.;</li> <li>• 1992 Master Fund Co-Invest SPC Series Segregated Portfolio;</li> <li>• Corbin ERISA Opportunity Fund Ltd; and</li> <li>• Antara Capital Master Fund LP</li> </ul>
<b>Antara</b>	Antara Capital Master Fund LP Corbin ERISA Opportunity Fund Ltd
<b>Appointments</b>	The appointment of Alan Hudson, Sam Woodward and Simon Edel to act as Joint Administrators of the Company on 5 February 2024
<b>AUK</b>	Arrival UK Ltd
<b>AUTO</b>	Arrival Automotive UK Limited
<b>Crown Set Off</b>	The deduction of all of HMRC's pre-appointment claim in the Administration against any recoveries due to the Company relating to the pre-appointment period
<b>Date of Appointment</b>	5 February 2024
<b>Elements UK</b>	Arrival Elements UK Ltd
<b>Employee Loans</b>	Loans issued to certain employees pre-appointment by AUK and AUTO to fund the purchase of shares in the parent company
<b>EY</b>	Ernst & Young LLP
<b>Final Report</b>	This report to creditors, which serves as the final report in the Administration, including details on the outcome of the Administration
<b>FX</b>	Foreign exchange
<b>GBP</b>	Pounds Sterling
<b>Highbridge</b>	Highbridge Tactical Credit Institutional Fund Ltd Highbridge Tactical Credit Master Fund, L.P 1992 Master Fund Co-Invest SPC Series Segregated Portfolio
<b>HMRC</b>	HM Revenue and Customs
<b>IP</b>	Intellectual property
<b>IP Sales Process</b>	The sale of AUK's remaining physical and digital IP assets
<b>IT</b>	Information technology
<b>NIC</b>	National insurance contributions



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<b>Notice of Move to CVL</b>	Notice of Move from Administration to Creditors' Voluntary Liquidation
<b>PAYE</b>	Pay As You Earn
<b>Period</b>	5 February to 31 July 2025
<b>Ropes &amp; Gray</b>	Ropes & Gray International LLP
<b>Sales Process</b>	The going concern sale of the Company's business and core assets, together with AUK
<b>Secured Lenders</b>	Certain funds and accounts managed or advised by each of Antara and Highbridge
<b>SIP 2</b>	Statement of Insolvency Practice Number 2
<b>SIP 9</b>	Statement of Insolvency Practice Number 9
<b>the Act</b>	The Insolvency Act 1986
<b>the CT Act</b>	Corporation Tax Act 2010
<b>the Company</b>	Arrival Automotive UK Limited
<b>the Court</b>	The High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
<b>the Joint Administrators or the Administrators</b>	Simon Edel, Alan Hudson and Sam Woodward
<b>the Proposals</b>	the Joint Administrators' statement of proposals dated 28 March 2024
<b>the Rules</b>	The Insolvency (England & Wales) Rules 2016
<b>UK</b>	United Kingdom
<b>Updates to Creditors</b>	the Joint Administrators' statement of proposals dated 28 March 2024, the update to creditors dated 25 April 2024 and our progress reports dated 29 August 2024 and 28 February 2025
<b>USD</b>	United States Dollar
<b>VAT</b>	Value Added Tax
<b>£ [x]bn / \$ [x]bn / €[x]bn</b>	£ [x] billion / \$ [x] billion / €[x] billion
<b>£ [x]m / \$ [x]m / €[x]m</b>	£ [x] million / \$ [x] million / €[x] million
<b>£ [x]k / \$ [x]k / €[x]k</b>	£ [x] thousand / \$ [x] thousand / €[x] thousand

## **2 Summary of the Administrators' Proposals**

The Proposals were issued to the Company's creditors on 28 March 2024. There have been no major amendments or deviations from the Proposals. As stated in the Proposals, the Joint Administrators were of the opinion that it may have been possible for there to be a return to the non-preferential, unsecured creditors and accordingly, pursuant to Paragraph 51 of Schedule B1 to the Act and Rules 3.38 and 15 of the Rules, the Administrators sought approval of the Proposals by deemed consent of the non-preferential, unsecured creditors.

No objection was received to the Proposals from creditors whose debts amounted to at least 10% of the Company's total debts nor was there a request received from the non-preferential, unsecured creditors of the Company to call an initial meeting of creditors. Accordingly, the Proposals were deemed to be approved on 12 April 2024.

The Proposals stated that the purpose of the Administration was to achieve a better result for the Company's creditors than would be likely if the Company were wound up, without first being in Administration. The Administrators were of the view, on appointment, that a going concern sale of the Company's business and / or assets together with those of AUK, a group company whom the Administrators were also appointed over, may be achievable. It was subsequently reported in our second progress report dated 28 February 2025, that, despite progressing commercial negotiations with two bidders, the Sale Process could not be concluded as both parties were unable to complete the transactions. As the electric vehicle market had significantly deteriorated, there was no viable market available or interest in the Company's business and assets, nor was there any further funding available from the Secured Lenders under the AFA to support continuing to pursue a sale. The purpose of the Administration, as set out in the Proposals, therefore, pivoted to realising property in order to make a distribution to one or more secured or preferential creditors and the Joint Administrators continued to focus their efforts on maximising recoveries for the benefit of creditors.

The Proposals stated that the Administration would come to an end through either a subsequent liquidation or dissolution, dependent on whether there are any assets remaining at the end of the Administration and that, should there be funds remaining to distribute to creditors, the Company would be placed into creditors' voluntary liquidation ("CVL"). As noted in the second progress report, the Joint Administrators are actively engaged in discussions with HMRC in regards to the Company's tax asset, HMRC's secondary preferential creditor position and Crown Set Off in respect of other amounts due to HMRC. This matter remains ongoing and could result in a material reduction in secondary preferential creditors, thereby enabling an enhanced distribution to the non-preferential, unsecured creditors of the Company.

As such, the Joint Administrators are of the view that there are sufficient funds available to permit a distribution to the non-preferential, unsecured creditors of the Company and will therefore place the Company into CVL upon filing the Final Report together with the Notice of Move to CVL in order to do so. The CVL will be effective from the date that Companies House registers the notice.

## **3 Summary of steps taken in the Period**

Set out below is an update on the steps taken in the Administration during the Period.

### 3.1 Sales Process

As reported in our second progress report, the Sales Process, despite significantly progressed commercial negotiations with two interested parties, was terminated due to late stage material developments hindering both parties' ability to complete, and the severe deterioration in the electric vehicle market meaning there were no viable alternatives and there was no further funding available from the Secured Lenders under the AFA to support continuing to pursue a sale. The Joint Administrators' focus was redirected to the sale of the remaining physical and digital IP assets, all of which are owned by AUK and, as such, operations were immediately shut down and an asset realisation strategy deployed.

### 3.2 Trading

#### 3.2.1 Pre-appointment debtors (£700.0k recovered in the Period)

Elements UK owed the Company £4.79m for services provided to Elements UK which the Company had paid for. This resulted in the Company being the largest creditor of Elements UK, which had recovered from HMRC the input VAT due in respect of the payment. Elements UK was not able to satisfy the amount due to AUTO and due to the amount owed was going to place itself into liquidation, whereby the Company would have to wait a significant amount of time to recover any funds in a liquidation.

In this regard and following detailed negotiations, it was agreed that the Company would accept an immediate payment of £700.0k, which was received during the Period, in full and final settlement of Element UK's liability.

#### 3.2.2 Suppliers (total cost in the Period £56.7k)

During the Period, the Company withdrew one letter of undertaking, terminating services provided by the Company's IT payroll provider. The Joint Administrators are in discussions with the supplier to receive an export of all of the Company's information retained by the IT payroll provider as part of the preservation of data. A final payment of £1.9k remains outstanding on the account and will be settled in the CVL from cash received from the Administration.

One undertaking remains for the ongoing storage of the Company's books and records in accordance with the Joint Administrators' statutory duties. This has been paid up to July 2025 and will continue to be paid into the CVL.

A one-off prepayment of £1.8k was made in the Period to the Company's pre-appointment accounting platform provider to retain the platform and accordingly, access to pre-appointment transaction documents and evidence to support the Company's pre-appointment VAT returns. This will enable supporting evidence to be provided to HMRC should it be required to secure the Company's pre-appointment position. No further payments to this provider are expected.

Payments totalling £56.7k were made to suppliers in the Period as follows:

- Insurance £54.6k - in the Period, the Company made a first and final payment for the insurance costs in respect of the Administration period totalling £54.6k. The insurance covered the Company's assets, leasehold properties and employment liabilities. The Company no longer holds any assets, leaseholds or employment contracts and therefore there are no future payments due in respect of insurance.
- IT suppliers £2.1k – payment made to the Company's IT supplier to download an export of the Company's data and to the accounting platform supplier used pre-appointment to retain access to invoices which may be required to recover sums owed in the Company's VAT return.

### **3.2.3 VAT**

#### **3.2.3.1 Pre-appointment VAT**

We have reviewed the Company's records in order to finalise the pre-appointment VAT returns. This has included adding back VAT on invoices dated prior to 5 August 2023, where VAT was previously claimed, but the invoices remain unpaid, as required by VAT bad debt relief rules. We have submitted the pre appointment VAT returns where the Company is in a VAT payable position (£476.0k). We are currently in discussions with HMRC regarding the agreement of this position.

#### **3.2.3.2 Post-appointment VAT**

VAT returns for the period up to May 2025 have been submitted, with the submission for the June 2025 return due by 7 August 2025. HMRC currently owes a sum of £263.2k to the estate in respect of outstanding refunds due. We are in contact with HMRC to expedite the repayment process for these amounts which have currently been placed on hold by HMRC whilst matters in respect of the Company's tax assets for Employee Loans are resolved. We now expect VAT refunds to be received in the subsequent CVL period

#### **3.2.4 Corporation tax**

The Joint Administrators are in the process of preparing the Company's final corporation tax returns and anticipate that it will be submitted in the period following the Administration. There are sufficient funds available in the Administration to make payment to HMRC, should the return show an amount payable due from the estate.

#### **3.2.5 Tax claim**

As reported in the previous progress reports and the Proposals, the Company made pre-appointment loans to certain employees ("Employee Loans"), together with AUK.

Under Section 455 of the CT Act, the Company was subject to tax on the amount of the employee loans ('Employee Loans') at 32.5% as it was deemed a 'close' company for tax purposes and had made a loan to a participator that remained outstanding for more than nine months from the end of the relevant accounting period. In accordance with the CT Act, the tax would be recoverable when the loan was repaid, released or written off. A sum of £576.2k was paid to HMRC by the Company in respect of these Employee Loans in the pre-appointment period. HMRC has not yet agreed this amount.

The Joint Administrators have subsequently submitted a claim to HMRC in respect of the corporation tax payments made by the Company in relation to the Employee Loans which HMRC is currently



reviewing the position on. Any amounts due to the Company will be subject to Crown Set Off, satisfying in part HMRC's secondary preferential creditor claim in the Administration and we therefore expect net recovery from this source to be nil.

The Joint Administrators are in active discussions with HMRC to pursue this recovery which will continue into the CVL, as it will reduce the secondary preferential claim and therefore result in additional funds becoming available to the unsecured creditors.

#### **4 Receipts and payments account**

The Joint Administrators' receipts and payments account for the period from 5 February 2025 to 31 July 2025 is attached at *Appendix 2*. It does not reflect estimated future realisations or costs.

Summaries of the most significant cashflows in the Period are provided in the commentary that follows, to the extent it has not been provided in *Section 3* above.

##### **4.1 Receipts**

###### **4.1.1 Unallocated receipts – (£56.9k)**

The Company received a payment of £56.9k in the Period with no information in respect of the payee. The Joint Administrators are also not aware of what the sum could relate to. The Joint Administrators are liaising with the Company's bank to obtain further information about the transaction and to understand the source.

###### **4.1.2 Bank interest – (£16.4k)**

The Company's funds are placed in interest bearing accounts and in the Period, GBP consolidated bank interest of £16.4k was received.

##### **4.2 Payments**

###### **4.2.1 Administrators' fees – (£275.9k)**

Payment of the Joint Administrators' final remuneration, up to the approved fee cap, was made in the Period. No further payments will be made in the Administration. See *Section 6.1* for further detail in respect of the Joint Administrators' fees.

###### **4.2.2 Preferential creditors (£33.1k)**

A first and final dividend was paid to the primary preferential creditors in the Period of 100p in the £. The distribution was paid to employees net of certain employment taxes and NICs which were paid to HMRC in respect of the Company's employment duties.

#### **4.2.3 Distribution to the Secured Creditors (£208.0k)**

A £208.0k distribution to the Company's secured creditors from fixed charge asset recoveries was made in the Period.

### **5 Distributions to creditors**

A distribution has been made to the primary preferential and Secured Lenders in the Period.

#### **5.1.1 Secured creditors**

A distribution of £208.0k was paid to the Secured Lenders in the Period from fixed charge assets. It is currently estimated that the Secured Lenders will suffer a shortfall against the remainder of their debt. As at the date of the Joint Administrators' appointment, the Secured Lenders' debt totalled £87.0m.

The extent of the Secured Lenders' future recoveries will be limited to the realisations achieved from the sale of assets subject to fixed charges. Given the significant shortfall to the Secured Lenders under their fixed charges, it is highly likely that, once all amounts have been recovered from fixed charge asset realisations, the Secured Lenders who are entitled to relinquish their security against the Company, will do so and will prove in the subsequent CVL as non-preferential, unsecured creditors benefiting from distributions made from the realisations of uncharged assets.

The Company currently has cash at bank of £470.8k in respect of fixed charge realisations. Following the finalisation of the remaining Administration expenses noted at *Section 6.2*, to the extent they should be paid from fixed charge monies and following the receipt of outstanding VAT refunds due in respect of fixed charge costs, a distribution will be made to the Secured Lenders. We anticipate distribution to be made shortly after the Company is placed in CVL, subject to resolving outstanding issues with HMRC, as noted in *Section 3.2.3.2*.

#### **5.1.2 Primary preferential creditors – employees**

Claims from employees in respect of accrued but unpaid arrears of pay up to £800, accrued but unpaid holiday pay and certain pension benefits, rank preferentially and in priority to other preferential creditors. These claims are therefore referred to as 'primary preferential creditors'.

A first and final dividend distribution was made to the primary preferential creditors of 100p in the £, totalling £33.1k (£25.6k of which was paid as a distribution to creditors and £7.5k paid to HMRC in respect of tax and NIC deductions). There are no further distributions due to this class of creditors.

#### **5.1.3 Secondary preferential creditors**

Claims from HMRC, in relation to VAT, PAYE and employees' NICs rank preferentially, but secondary to the employee primary preferential creditors. These claims are therefore referred to as 'secondary preferential creditors'.

We currently estimate the amount of secondary preferential claims (VAT, PAYE and NI pre appointment liabilities) at the date of our Appointment to be £548.9k, before penalties and accruing interest.

The Joint Administrators are in the process of agreeing several claims with HMRC for tax refunds relating to the pre appointment period. We expect that HMRC will most likely seek to set off not only its secondary preferential claims but also its non-preferential, unsecured claims against the funds that it would need to repay in respect of taxes paid by the Company pre appointment. We anticipate that there will be sufficient funds available to pay the HMRC claim in full, in due course.

#### **5.1.4 Non-preferential, unsecured creditors**

The Joint Administrators continue to receive claims from non-preferential, unsecured creditors of the Company, currently estimated at £114.27m. Out of this amount, £87.01m is the Secured Lenders' claim, which is currently assumed as being able to rank as a non-preferential, unsecured claim in the CVL. This balance is subject to change to reflect the final deficiency amount, once all fixed charge recoveries have been paid across to the Secured Lenders.

As noted in the second progress report and the Proposals, there was no floating charge security and as such, section 176A of the Act does not apply to the Administration, therefore meaning that there is no Prescribed Part to be set aside for the benefit of non-preferential, unsecured creditors.

Consequently, the Act states that the Joint Administrators would be required to make an application to Court in accordance with paragraph 65(3)(b) of Schedule B1 to the Act to make a distribution to the non-preferential, unsecured creditors, by means other than the Prescribed Part or otherwise place the Company into liquidation in order to make a distribution.

We anticipate being able to make a small distribution to the non-preferential, unsecured creditors from the recoveries of uncharged assets and will achieve this through placing the Company into CVL. The Company will automatically move into CVL upon Companies House registering the filing of the Final Report together with the Notice of Move to CVL to enable this distribution, maximising non-preferential, unsecured creditor recoveries through the avoidance of additional Court fees. See *Section 8* for further detail on the move to CVL.

## **6 Remuneration**

### **6.1 Joint Administrators' remuneration**

The statutory provisions relating to remuneration are set out in Part 18 of the Rules. 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 us. The Joint Administrators policy for charging remuneration and disbursements is outlined at *Appendix 3*.

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 Administrators' Fees' referred to above.

During the Period, we have incurred time costs of £233.5k excluding VAT and have made payment of the Joint Administrators' final fees in the sum of £275.9k excluding VAT (£99.6k floating charge and £176.3k fixed charge), taking fees up to the fee estimate approved by creditors on 13 September 2024.

An analysis of the time spent in the Period is presented at *Appendix 4* and the summary narrative for the Period is attached at *Appendix 6* to this report. Whilst our time costs have exceeded the revised fee estimate by £69.3k, we do not propose seeking any further uplift in our remuneration.

The table below summarises the time spent compared with the revised fee estimate:

	Fee uplift estimate		Variance to Fee uplift estimate		Actuals to date	
	Hours	Fees	Hours	Fees	Hours	Fees
Sale of business	318	243,548	(431)	(300,040)	749	543,588
Statutory duties	188	75,277	(118)	(89,137)	305	164,414
Employee matters	126	78,439	(145)	(82,197)	271	160,636
Administration and planning	1,027	416,092	(127)	(79,194)	1,154	495,286
Reporting	185	104,886	(103)	(52,259)	288	157,145
Data Preservation	176	90,889	(14)	(9,401)	190	100,290
Other assets	278	186,677	12	10,195	266	176,482
Bank & statutory reporting	215	114,106	18	14,185	197	99,921
Job acceptance & strategy	384	186,524	254	72,676	131	113,848
Other	1,290	541,725	1,129	457,325	161	84,400
<b>Total hours / fees</b>	<b>4,187</b>	<b>2,038,161</b>	<b>475</b>	<b>(57,849)</b>	<b>3,712</b>	<b>2,096,010</b>

Our remuneration exceeded the revised fee estimate for the following reasons:

- The revised fee estimate was built on the assumption that the Sales Process would complete by 7 October 2024. However, at the request of the Secured Lenders it was extended beyond this date, significantly increasing time spent by the Joint Administrators and their staff attempting to achieve a sale of the business. The Joint Administrators and their staff have spent time attending to the two bidders' queries, supporting their due diligence processes, preparing detailed, draft final transaction documents for each of the proposed transactions and revising the documentation for their bids, providing regular, detailed updates to the Secured Lenders and addressing queries from one of the bidder's financial advisors on the creation of a business model for them. These activities were conducted in the Joint Administrators' best efforts to maximise creditor recoveries however were ceased upon termination of the Sales Process, mitigating the Joint Administrators' time costs incurred on this workstream.
- The extension of the Sales Process, primarily increased the Joint Administrators' time costs on work directly involved in progressing a sale, but further time costs were also incurred in respect of Administration and planning and Employee matters to support a continued Sales Process through ensuring the stability of the critical components of the business.
- Other factors as noted below, which were not included into the original forecast, have driven the overrun in our fee estimate:
  - An extended period to realise physical assets which were previously part of the Sales Process, managing Gordon Brothers for an extended timeframe, reviewing asset sales and coordinating the completion of transactions (e.g. release documents, receipt of and accounting for, proceeds).
  - Exploring and subsequently claiming for potential tax recoveries in relation to Employee Loans which are complex in nature for the benefit of the estate. The Joint Administrators are in ongoing lengthy discussions with HMRC to recover a material asset for the

Company, which once received will set off the vast majority of HMRC's secondary preferential claim.

- Ongoing cashflow monitoring and revisions to the estimated outcome statement to understand the recoveries for creditors upon termination of the Sales Process. Close monitoring of the Company's finances, together with the Joint Administrators' efforts to realise and recover the Company's assets, have allowed for the distributions to the Company's primary preferential and secured creditors in the Period, in addition to the anticipated further distributions to the Secured Lenders and distribution to the non-preferential, unsecured creditors in the CVL.

There will be no further payments in respect of the Administrators' remuneration in the Administration.

## 6.2 Joint Administrators' statement of expenses incurred

During the Period, we have incurred and paid expenses totalling £56.8k excluding VAT. There is a breakdown of expenses incurred in the Period at *Appendix 5* of this report.

Note that there are a small number of expenses outstanding from the Administration, that the Joint Administrators anticipate will be settled once the Company has moved to CVL from a pool of monies from the Administration set aside for this purpose. These expenses include:

- Corporation tax – as noted above the Joint Administrators are currently in the process of preparing the final tax return for the Administration. Should the return show a payable amount due to HMRC, the Company has sufficient funds available to make such payment.
- IT suppliers – a final payment to an IT payroll provider whom the Joint Administrators instructed to provide an export of the Company's data from the platform to satisfy the Joint Administrators' statutory duty for the preservation and retention of data. The Joint Administrators are in ongoing discussions with this provider to gain access to the data at which point a final payment of account will be made.
- Legal fees – the Joint Administrators anticipate incurring additional legal fees of £43k, relating to the Company's lawyers Ropes and Gray outstanding fees to bill and the legal fees for the Court hearing where the Administrators will seek their discharge.
- Bank charges – it is anticipated that the Company will incur certain bank charges upon closure of the Company's Administration accounts.

The Joint Administrators expect that all expenses of the Administration will be met within their fee estimate and details of expenses document dated 28 March 2024 which totalled £1.6m for expenses.

## 7 Creditors' approval

### 7.1 Creditors' committees

To date, no creditors have expressed an interest in forming a creditors' committee.

## 8 The outcome of the Administration

In accordance with the terms of the Proposals, the Company will move from Administration to CVL upon the registering at Companies House of the filing of the Final Report together with the Notice of Move to CVL. Upon the registration of these documents at Companies House, Alan Hudson, Sam Woodward and Simon Edel will be appointed Joint Liquidators.

The Joint Administrators will shortly seek a court order discharging their liability in respect of any action of theirs as Joint Administrators.

Future tasks that will be dealt with in the CVL include, but may not be limited to, the following:

- Collecting receivables due to the Company in respect of the recovery of the tax assets, including the recovery of refunds due from post appointment VAT returns.
- Reviewing and adjudicating the secondary preferential claim.
- Distributing amounts to the secured and secondary preferential creditors of the Company (as applicable).
- Reviewing and adjudicating non-preferential, unsecured creditor claims and subsequent distributions.
- Dealing with non-preferential, unsecured creditor queries.
- Dealing with corporation tax and VAT matters, which include filling the final statutory return for the Administration period.
- Ensuring all statutory reporting and compliance obligations are met.
- Finalising payment of all Administration expenses and liabilities. Cash from the Administration has been made available to meet these expenses and instructions will be provided to the Joint Liquidators to facilitate payment.
- Seek the Joint Administrators' discharge as Joint Administrators.
- Any other actions required to be undertaken by the Joint Liquidators in order to fulfil the purpose of the Liquidation.

Should you have queries regarding the Company or content of this report, please do not hesitate to contact my colleague Deborah Hart by email at [DHart1@parthenon.ey.com](mailto:DHart1@parthenon.ey.com) who will manage the Company's CVL going forward.

**Appendix 1 -**

**Information about the proceedings, the Company and the office holders**

Name of Court:	The High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference:	CR-2024-000650

Registered name of the company:	Arrival Automotive UK Limited
Registered office address of the company:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Registered number:	11974606
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A

Date of appointment of the Joint Administrators:	5 February 2024
Details of any changes of Administrator:	None
Full names of the Joint Administrators:	Simon Jamie Edel, Alan Michael Hudson and Samuel James Woodward
Office holder numbers:	9810, 9200 and 12030
Joint Administrators' addresses:	Ernst & Young LLP 1 More London Place, London, SE1 2AF  Ernst & Young LLP 2 St Peters Square, Manchester, M2 3EY
Email:	<a href="mailto:aukadministration@uk.ey.com">aukadministration@uk.ey.com</a>
Name of alternative person to contact with enquiries about the case:	Lucy McWalters

Appendix 2 -

Joint Administrators' summary of receipts and payments for the Period

Notes	GBP (ex VAT)			EUR (ex VAT)			USD (ex VAT)			PERIOD GBP Consolidated	GBP (ex. VAT) Consolidated
	5 February 2024 to 4 February 2025	5 February 2025 to 31 July 2025	Cumulative to 31 July 2025	5 February 2024 to 4 February 2025	5 February 2025 to 31 July 2025	Cumulative to 31 July 2025	5 February 2024 to 4 February 2025	5 February 2025 to 31 July 2025	Cumulative to 31 July 2025		
<b>Fixed charge receipts</b>											
Plant & machinery	1, 2	4,346,792	-	4,346,792	-	-	-	-	-	-	4,346,792
Lender funding	3	2,634,000	-	2,634,000	-	-	-	-	-	-	2,634,000
Bank interest		92,454	9,480	101,934	-	-	-	-	-	9,480	101,934
Furniture & equipment		12,260	-	12,260	-	-	-	-	-	-	12,260
Contribution to property costs		40,500	-	40,500	-	-	-	-	-	-	40,500
<b>Total Fixed charge receipts</b>		<b>7,126,006</b>	<b>9,480</b>	<b>7,135,486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,480</b>	<b>7,135,486</b>
<b>Uncharged receipts</b>											
Cash on Appointment		1,137,459	-	1,137,459	201,853	-	201,853	20,467	-	20,467	1,327,363
Materials		41,237	-	41,237	-	-	-	-	-	-	41,237
Contribution to property costs		-	-	-	-	-	-	-	-	-	-
Pre-appointment debtors		20,170	700,000	720,170	-	-	-	-	-	700,000	720,170
Unallocated Receipts		-	56,885	56,885	-	-	-	-	-	56,885	56,885
Bank interest		13,620	6,595	20,215	1,649	381	2,030	125	35	160	22,091
<b>Total Uncharged receipts</b>		<b>1,212,486</b>	<b>763,480</b>	<b>1,975,966</b>	<b>203,502</b>	<b>381</b>	<b>203,883</b>	<b>20,592</b>	<b>35</b>	<b>20,627</b>	<b>763,836</b>
<b>Total receipts</b>		<b>8,338,492</b>	<b>772,960</b>	<b>9,111,452</b>	<b>203,502</b>	<b>381</b>	<b>203,883</b>	<b>20,592</b>	<b>35</b>	<b>20,627</b>	<b>9,303,232</b>
<b>Non-Trading Payments</b>											
Administrators Fees	4	(2,044,022)	(275,924)	(2,319,946)	-	-	-	-	-	(275,924)	(2,319,946)
Repayment of lender funding		(2,634,000)	-	(2,634,000)	-	-	-	-	-	-	(2,634,000)
Repayment of AFA interest		(286,721)	-	(286,721)	-	-	-	-	-	-	(286,721)
Property costs		(458,313)	-	(458,313)	-	-	-	-	-	-	(458,313)
Employee costs		(618,834)	-	(618,834)	-	-	-	-	-	-	(618,834)
Pre-appointment Administrator's Fees		(141,893)	-	(141,893)	-	-	-	-	-	-	(141,893)
Legal fees		(399,464)	-	(399,464)	-	-	-	-	-	-	(399,464)
Agent fees		(119,965)	-	(119,965)	-	-	-	-	-	-	(119,965)
Pre-appointment Legal Fees		(66,293)	-	(66,293)	-	-	-	-	-	-	(66,293)
Other Suppliers		(14,764)	(56,741)	(71,505)	-	-	-	-	-	(56,741)	(71,505)
IT costs		(7,874)	-	(7,874)	-	-	-	-	-	-	(7,874)
Distribution to primary preferential creditors		-	(33,069)	(33,069)	-	-	-	-	-	(33,069)	(33,069)
Distribution to secured creditors		-	(208,034)	(208,034)	-	-	-	-	-	(208,034)	(208,034)
Bank charges		(374)	(54)	(428)	(32)	-	(32)	(34)	-	(34)	(481)



Notes	GBP (ex VAT)			EUR (ex VAT)			USD (ex VAT)			PERIOD GBP Consolidated	
	5 February 2024 to 4 February 2025	5 February 2025 to 31 July 2025	Cumulative to 31 July 2025	5 February 2024 to 4 February 2025	5 February 2025 to 31 July 2025	Cumulative to 31 July 2025	5 February 2024 to 4 February 2025	5 February 2025 to 31 July 2025	Cumulative to 31 July 2025		GBP (ex. VAT) Consolidated
Reimbursement of payments to suppliers	(180)	-	(180)	-	-	-	-	-	-	-	(180)
Statutory costs	(104)	-	(104)	-	-	-	-	-	-	-	(104)
<b>Total Non-Trading Payments</b>	<b>(6,792,801)</b>	<b>(573,822)</b>	<b>(7,366,623)</b>	<b>(32)</b>	<b>-</b>	<b>(32)</b>	<b>(34)</b>	<b>-</b>	<b>(34)</b>	<b>(573,822)</b>	<b>(7,366,676)</b>
<b>Balances in hand</b>	<b>1,545,691</b>	<b>199,138</b>	<b>1,744,829</b>	<b>203,470</b>	<b>381</b>	<b>203,851</b>	<b>20,558</b>	<b>35</b>	<b>20,593</b>	<b>199,494</b>	<b>1,936,556</b>
<b>Represented by:</b>											
Fixed bank accounts	5 1,162,782	(715,557)	447,225	-	-	-	-	-	-	(715,557)	447,225
Floating bank accounts	5 163,073	859,016	1,022,089	203,470	381	203,851	20,558	35	20,593	859,372	1,213,816
Funding bank account	5 23,077	456	23,533	-	-	-	-	-	-	456	23,533
VAT receivable / (payable)	196,759	55,223	251,982	-	-	-	-	-	-	55,223	251,982
	<b>1,545,691</b>	<b>199,138</b>	<b>1,744,829</b>	<b>203,470</b>	<b>381</b>	<b>203,851</b>	<b>20,558</b>	<b>35</b>	<b>20,593</b>	<b>199,494</b>	<b>1,936,556</b>
<b>GBP Equivalent excluding VAT</b>	6 1,545,691	199,138	1,744,829	176,149	330	176,479	15,223	26	15,248	199,494	1,936,556

## Notes

- Receipts and payments are stated net of VAT.
- The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments
- Funding was provided by the Secured Lenders in order to run the Sales Process and as such, this funding has been allocated as a fixed charge receipt. This funding was repaid during the previous period, along with interest as calculated under the terms of the AFA.
- This is the amount of Administrators' fees that have been paid in the Period, as approved by creditors, representing the final drawing of Administrators' fees up to the approved fee cap.
- All funds are held in interest bearing bank accounts. The cash in the bank accounts should not be viewed as the final figure available for distribution to creditors, as costs relating to the closure of the Administration and the operation of the CVL will be offset against these amounts.
- The GBP Equivalent amounts are translated at FX rates on 31 July 2025 of 1.35 USD / GBP and 1.16 EUR / GBP. Funds have been held in non-GBP denominated bank accounts in order to minimise any FX losses whilst discharging non-GBP payments. There has been no financial impact on the estate in holding these amounts in non-GBP denominated accounts.

### Appendix 3 -

#### **Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to SIP 9**

##### **Joint Administrators' charging policy for remuneration**

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for these engagements. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

##### **Joint Administrators' charging policy for expenses**

SIP 9 divides expenses into two categories.

- Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the creditors' committee or the general body of creditors. In line with SIP 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.
- Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. SIP 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with SIP 9, to seek approval of Category 2 expenses at the same time as our fees and before they are drawn.

Appendix 4 -

Joint Administrators' time costs for the Period

	Hours							Total hours	Time costs	Average hourly rate
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Administration and planning	3	11	39	22	44	-	5	124	62,611	507
Creditors	1	5	1	6	3	-	-	15	9,240	604
Data Preservation	-	1	1	-	-	-	-	2	1,100	733
Debtors	1	5	1	-	-	-	-	7	5,690	813
Employee matters	-	1	1	17	1	-	-	19	9,730	512
Job acceptance & strategy	20	2	7	0	7	-	-	36	29,190	811
Other matters	-	1	4	6	1	-	-	12	6,150	521
Reporting	1	8	-	2	-	-	-	11	8,340	765
Statutory duties	8	23	15	39	18	4	-	106	57,979	546
Trading	-	1	-	3	4	-	-	8	3,660	463
VAT & taxation	6	8	30	5	13	-	-	60	39,845	660
<b>Total hours</b>	<b>40</b>	<b>63</b>	<b>98</b>	<b>99</b>	<b>90</b>	<b>4</b>	<b>5</b>	<b>400</b>	<b>233,535</b>	<b>585</b>
<b>Total fees</b>	<b>39,600</b>	<b>50,400</b>	<b>68,020</b>	<b>39,900</b>	<b>33,820</b>	<b>1,000</b>	<b>795</b>	<b>233,535</b>		

**Appendix 5 -**

**Summary of Joint Administrators' expenses incurred**

Type of expense	Per fee estimate dated 28 March 2024	Total incurred as at 4 February 2025	Incurred in the Period	Cumulative to 31 July 2025	Estimate to complete	Estimated total
<b>Payments made from the estate which are not disbursements</b>						
<b>Category 1</b>						
Legal Fees*	450,000	399,464	-	399,464	43,000	442,464
Agent fees	35,000	119,965	-	119,965	-	119,965
Insurance	30,000	-	56,741	-	-	-
Employee Costs	180,000	618,834	-	618,834	-	618,834
Property Costs*	720,000	458,313	-	458,313	-	458,313
Statutory Costs	2,000	104	-	104	-	104
IT costs	55,000	7,874	-	7,874	1,935	9,809
Bank Charges	6,000	427	54	481	100	581
Corp Tax	TBC	-	-	-	TBC	TBC
Recharge from Arrival UK	200,000	-	-	-	-	-
Other suppliers*	-	14,764	-	14,764	-	14,764
Reimbursement of payments to suppliers	-	180	-	180	-	180
<b>Total Expenses</b>	<b>1,678,000</b>	<b>1,619,925</b>	<b>56,795</b>	<b>1,619,979</b>	<b>45,035</b>	<b>1,655,014</b>

\*Note: there is a slight variance on the expenses reported as at 4 February 2025 to the second progress report in respect of legal fees, property costs, other suppliers and bank charges due to rounding differences caused by changes in the FX rate.

### Category 1 disbursements

Category 1 disbursement	Per fee estimate dated 28 March 2024	Total incurred as at 4 February 2025	Incurred in the Period	Cumulative to 31 July 2025	Estimate to complete	Estimated total
Copying, printing and postage	450	-	59	59	-	59
Travel costs (excluding mileage)	2,500	1,962	-	1,962	-	1,962
Specific penalty bond	500	48	-	48	-	48
<b>Total category 1 disbursements</b>	<b>3,450</b>	<b>2,010</b>	<b>59</b>	<b>2,069</b>	<b>-</b>	<b>2,069</b>

### Category 2 expenses

We have not incurred any Category 2 expenses in the Administration.

**Appendix 6 -**

**Joint Administrators' time costs – explanation of the work done during the Period**

<b>Category of work</b>	<b>Description of the work done</b>
<b>Administration and planning</b>	<p><i>Tasks providing an indirect benefit to creditors:</i></p> <ul style="list-style-type: none"> <li>• Preparation and maintenance of the Administration cashflow on both an accruals and receipts and payments basis</li> <li>• Instruction, review and approval of third party payments to ensure continuation of services and support the Administration strategy</li> <li>• Aligning strategy and key updates across the engagement team</li> <li>• Preparation and ongoing monitoring and maintenance of the estimated outcome statement and the receipts and payments account to understand returns to creditors</li> <li>• Monitoring of trading and payments against the Administration cash flow forecast and</li> <li>• Time cost monitoring.</li> </ul>
<b>Creditors</b>	<p><i>Tasks providing a direct benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> <li>• Receipt and recording of preferential and non-preferential, unsecured creditor claims which will be provided to the Liquidators</li> <li>• Correspondence with preferential and non-preferential, unsecured creditors and attending to queries received through the creditors' mailbox and online portal</li> <li>• Lodging and managing creditors' claims received as and when received</li> <li>• Adjudicating the claims of primary preferential creditors and making a first and final distribution to this creditor class and</li> <li>• Review of claims received compared to claim value expected under the Statement of Affairs.</li> </ul>
<b>Data preservation</b>	<p><i>Tasks providing an indirect benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> <li>• Migration of applications to the cloud and</li> <li>• Continuing discussions with key data storage and IT applications' providers and agreement of ongoing terms of supply in the Administration.</li> </ul>
<b>Debtors</b>	<p><i>Tasks providing a direct benefit to the creditors:</i></p> <ul style="list-style-type: none"> <li>• Pursuing the recovery and agreeing the settlement of the intercompany claim from Elements UK.</li> </ul>
<b>Employees</b>	<p><i>Tasks providing an indirect benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> <li>• Preparing P11DS for employees, following their redundancies, in accordance with the Joint Administrators' statutory duties.</li> </ul>
<b>Job acceptance &amp; strategy</b>	<p><i>Tasks providing an indirect benefit to creditors:</i></p> <ul style="list-style-type: none"> <li>• Formulating and executing the strategy adopted</li> <li>• Ongoing consideration and review of the Administrators' strategy and creditor outcomes impacted by such and</li> <li>• Considering exit routes from the Administration and implementing a plan to place the Company into CVL to enable non-preferential, unsecured creditor distributions.</li> </ul>
<b>Other matters</b>	<p><i>Tasks providing an indirect benefit to creditors:</i></p>

	<ul style="list-style-type: none"> <li>• Dealing with insurance matters and ensuring the appropriate ongoing cover for the Company</li> <li>• Reviewing and preparing schedules to evidence value of insured goods to share with the Company's insurance provider for consideration on final invoicing and</li> <li>• Discussions with the insurance provider to agree charges for the Administration period and the subsequent settlement of the same.</li> </ul>
<b>Reporting</b>	<p><i>Tasks providing an indirect benefit to creditors:</i></p> <ul style="list-style-type: none"> <li>• Ongoing updates to the Secured Lenders in respect of the progress of the Administration, including facilitating calls as applicable and</li> <li>• Preparing estimated outcome statements as the Administration progressed to depict likely outcomes and returns.</li> </ul>
<b>Statutory duties</b>	<p><i>Tasks providing an indirect benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> <li>• Drafting and filing the Joint Administrators' second progress report</li> <li>• Preparing a witness statement to seek the Joint Administrators' discharge and</li> <li>• Preparing an internal review of the Joint Administrators' files to ensure sufficient filing and documenting in accordance with the Joint Administrators' statutory duties.</li> </ul>
<b>Trading</b>	<p><i>Tasks providing a direct benefit to creditors:</i></p> <ul style="list-style-type: none"> <li>• Engagement with critical suppliers, including provision of letters of undertaking and subsequent cancellation of undertakings for suppliers to reduce Administration expenses and</li> <li>• Negotiations and regular contact with suppliers to agree favourable terms for the Company.</li> </ul>
<b>VAT &amp; taxation</b>	<p><i>Tasks providing a possible direct benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> <li>• Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists</li> <li>• Calculating and assessing the Company's VAT position and submitting letters and emails to HMRC in regards to the Company's Section 455 of the CT Act claim in relation to Employees' Loans and continuing to pursue recovery of the same and</li> <li>• Evaluating and progressing tax recoveries for the Company.</li> </ul>