



For further information, please
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1 Company details

Company number 0 4 8 2 4 3 4 5

Company name in full Arlington Thermal Management Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Allan Watson

Surname Graham

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country

4 Administrator's name ①

Full forename(s) Matthew

Surname Ingram

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

From date	^d 0	^d 7	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0	
To date	^d 0	^d 6	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0	


7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	Signature X 	X							
Signature date	^d 0	^d 4	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name	Louie.Bodle				
Company name	Duff & Phelps Ltd.				
Address	The Chancery				
	58 Spring Gardens				
Post town	Manchester				
County/Region					
Postcode	M	2		1	E W
Country					
DX					
Telephone	+44 (0) 161 827 9000				



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- ☐ You have signed the form.



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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	James Andrew
Surname	Saunders

3 Insolvency practitioner's address

Building name/number	The Chancery
Street	58 Spring Gardens
Post town	Manchester
County/Region	
Postcode	M 2 1 E W
Country	

Progress Report to Creditors

3 December 2020

Arlington Engineered Systems Limited;
AANE Realisations (NE) Limited
(formerly Arlington Automotive (NE) Limited);
Arlington Thermal Management Limited; and
Lagam Stourport Limited
(formerly Magal Cables Limited)
(All in Administration)

*Joint Administrators' Progress Report for the period 7 May 2020 to
6 November 2020.*

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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1. Introduction

The Joint Administrators were appointed on 7 May 2020 by orders of the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD). The applications to the court were made by the Directors.

This progress report provides an update on the Administrations of the Companies. It should be read in conjunction with the Joint Administrators' Statement of Proposals dated 30 June 2020.

The Joint Administrators have also explained their future strategy for each of the Administrations and the prospects of any distribution to each class of creditor.

You will find other important information in this progress report such as the costs the Joint Administrators have incurred during the period and an estimate of future costs and fees that are likely to be incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this progress report to Creditors is attached at Appendix 9.

2. Creditor summary

This progress report covers the period from 7 May 2020 to 6 November 2020.

Summary of Proposals

- The Joint Administrators issued their Statement of Proposals on 30 June 2020 seeking deemed approval of the Proposals which are summarised at Appendix 2 of this report.
- The Joint Administrators' Proposals for achieving the purpose of the Administrations, namely achieving a better result for the Companies' Creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), were approved by the Creditors, by deemed consent, on 14 July 2020 without modifications.
- There have been no amendments or deviations from the Proposals, a summary of which is provided at Appendix 2.

Progress to date

- As detailed in the Proposals, the Joint Administrators have continued to trade the Companies with a view to completing sales of the respective business and assets of each trading entity to potential purchasers.
- During the Reporting Period, the Joint Administrators have completed sales of both the MCL and AANE businesses. Both sales are to separate unconnected purchasers and further details are provided at section 3 of this report.

Outcome for Creditors

- Based on the current information available, it is anticipated that there will be sufficient assets available to enable distributions to be made to the Secured Creditor under the terms of its security. The Secured Creditor will not be repaid in full from realisations from the Companies alone and the outcome is reliant upon the wider realisation of their security.
- The Joint Administrators are currently in the process of notifying all preferential creditors of the Companies as to their intention to issue a dividend of 100p in £. Once declared, this dividend will represent full settlement of all preferential claims in the Administrations.
- Based on the current information available, it is not anticipated that there will be sufficient assets available to enable any distributions to be made to non-preferential creditors of the Companies other than by way of the prescribed parts.

Please note, this progress report provides Creditors with an account of the progress of the Administrations of the Companies in the period. The Joint Administrators' Statement of Proposals issued to the Companies' Creditors is available to view at <https://micro.duffandphelps.com/ukrestructuring> and paper copies can be provided free of charge by writing to Matthew Dunnill at The Chancery, 58 Spring Gardens, Manchester, M2 1EW or by email to Matthew.Dunnill@duffandphelps.com.

Unless otherwise stated, all amounts in this progress report and appendices are stated net of VAT.

3. Progress of the Administrations

This section provides an update on the Joint Administrators' strategy for the Administrations and progress to date.

3.1 Strategy and progress to date

- As detailed in the Proposals, the Joint Administrators have pursued a strategy of continuing to trade the Companies, whilst seeking a sale of the business and assets of the Companies as a going concern, either as a whole or in their various parts.
- This strategy has continued during the Reporting Period and the Administrators have achieved sales of both the AANE and MCL entities, further details of which are provided below.
- The Joint Administrators continue to trade AESL and ATML with a view to achieving going concern sales of these businesses. The Joint Administrators are also continuing to trade part of AANE, which was excluded from the sale to Ricor as detailed further below.

3.2 Asset realisations

Realisations during the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3.

Summaries of the most significant realisations and an update on the progress of realisations during the Administrations are provided below:

As detailed earlier in this report, the Joint Administrators have concluded sales of the business and assets of MCL and AANE during the Reporting Period.

Lagam Stourport Limited (Formerly Magal Cables Limited)

- The purchaser was Remsons Automotive Limited now trading as Magal Automotive Limited (Company registration number: 12838779)
- The purchaser is an unconnected company.
- The purchaser was incorporated on 26 August 2020 and its registered office is Hygeia Building, Rear Ground Floor, 66-68 College Road, Harrow, Middlesex, HA1 1BE.
- The sale was concluded on 21 October 2020, with effect from 16 October 2020.

A detailed breakdown of the sale consideration received is provided overleaf:

Business Records, Contracts, Sales Information and Goodwill	5
Plant and Machinery	1,134,995
Motor Vehicles	15,000
Inventory	636,694
Total	1,786,694

The Joint Administrators received a payment of £162,730.76 from the purchaser in respect of costs that have been paid from the Administrations including, but not limited to, utility and supply contracts that have been continued by the Joint Administrators until an agreed cut-off point, pre-paid costs such as wages paid for the benefit of the purchaser and open purchase orders. This payment included £36,694 of Inventory receipts that are included in the table above. These apportionments are included in the relevant Receipts and Payments accounts at Appendix 3.

Creditors should also note that in addition to the above, the Joint Administrators have agreed with the purchaser, Remsons Automotive Limited for aged inventory to be paid for on a deferred basis. This inventory will be realised on an as used basis and is reconciled monthly. Any of the aged inventory utilised by the purchaser during the 24 months following the sale is payable to the Joint Administrators at 100p/£. The total value of this aged inventory is £404,000.

Further updates regarding the deferred consideration will be provided in future reports.

AANE Realisations (NE) Limited (Formerly Arlington Automotive NE Limited)

- The purchaser was Ricor North East Limited (Company registration number: 12624700)
- The purchaser is an unconnected company.
- The purchaser was incorporated on 27 May 2020 and its registered office is Arrow Works, Birmingham Road, Studley, B80 7AS.
- The sale was concluded on 23 October 2020.

A detailed breakdown of the sale consideration received is provided below:

Intangible Assets	5
Motor Vehicles	1,000
P&M	613,995
Inventory – Unit 1	135,000
Total agreed sale consideration	750,000

The Joint Administrators received a payment of £166,435 from the purchaser in respect of costs that have been paid from the Administrations including, but not limited to, utility and supply contracts that have been continued by the Joint Administrators until an agreed cut-off point, pre-paid costs such as wages paid for the benefit of the purchaser, open purchase orders and staff termination costs. These apportionments are included in the relevant Receipts and Payments accounts at Appendix 3.

It should also be noted that AANE has historically traded from two sites known as Unit 1 and Unit 2. Ricor North East Limited did not wish to acquire the Unit 2 business, therefore, the above consideration relates solely to Unit 1.

The Joint Administrators are continuing to operate Unit 2 separately and it is anticipated that the business and operations of this site will move to AESL in Coventry during the Christmas shut down period.

A further update on trading and the exit strategy will be included in the next report to Creditors.

Arlington Engineered Systems Limited and Arlington Thermal Management Limited

The Joint Administrators are continuing to pursue the strategy identified earlier in this report of seeking a sale of the business and assets as a going concern whilst continuing to trade the business in Administration.

The sale of AESL is at an advanced stage of negotiation and the Joint Administrators anticipate that this sale should complete before the next update to Creditors.

The Joint Administrators continue discussions with a number of interested parties in relation to the ATML business, which also includes the Group's interests in Brazil, France, Germany, China and the USA. As a result of the complex nature and numerous jurisdictional challenges, interested parties are undertaking detailed due diligence, therefore, the sale process is likely to take longer to conclude.

A further update on the sales processes will be provided in the next report to Creditors.

According to the Companies' books and records, the outstanding debts due to the Companies as at the Appointment Date are as set out in the table below, alongside the realisations to 26 June 2020.

These debts were assigned to the Secured Creditor under an invoice discounting agreement as part of their security.

Company	Book Debt as at 7 May 2020 (£)	Collections To 6 November 2020 (£)
AESL	5,368,355	5,346,194
AANE	512,769	512,769
ATML	2,387,658	2,225,697
MCL	1,144,278	1,129,046

An update on book debt collections will be provided in the next progress report.

As detailed in the Proposals, the Joint Administrators of AESL sold inventory (including WIP) and P&M with a value of £347,238 to Alexander Dennis Limited on 16 June 2020, this has been received in full.

In the Reporting Period, an additional £69,498 of WIP inventory was sold to two former customers of AESL, who did not continue to trade with the company during the Administration. In addition to these inventory sales, a further EUR307,687 was realised from an inter-company inventory sale.

As noted on the consideration breakdown detailed at 3.2.1 for MCL and AANE, sales to the purchasers included inventory, P&M and any motor vehicles required by the purchaser.

It is expected that the remaining tangible assets of AESL and ATML will also form part of any sale of business and include inventory, WIP, P&M and property.

A further update will be provided in the next progress report.

As noted on the consideration breakdown detailed at 3.2.1 the purchase consideration for both sales included intangible assets such as goodwill, intellectual property and sales information.

As a result, MCL has changed its name to Lagam Stourport Limited. The change of name was filed at Companies House on 9 November 2020.

AANE has changed its name to AANE Realisations (NE) Limited. The change of name was filed at Companies House on 10 November 2020.

A further update will be provided in the next progress report.

The decision to trade the Companies was taken by the Joint Administrators after careful consideration of the Companies' financial position in order to preserve enterprise value and to provide the maximum opportunity for alternative options to be pursued.

The Joint Administrators agreed terms of trade with major customers. The initial terms of trade covered a period of 12 weeks; however, these have now been extended and rolled forward in line with the ongoing sales processes.

Certain customers provided payments in advance of the trading period; this is noted in Appendix 3 under 'Advance Customer Payments'.

The tables below reflect the net sales achieved since the date of appointment and up to the earlier of the date of sale completion (as detailed at 3.2.1) or 6 November 2020 being:

Company	Sales (£)
AESL	23,773,022
AANE	6,793,499
ATML	9,854,569
MCL	3,731,923

Accrued trading costs are provided below, which include (but are not limited to) salaries, supplier costs and overheads. Note that the Joint Administrators costs associated with trading the Companies are excluded from the figures below:

Company	Costs (£)
AESL	23,243,783
AANE	6,160,656
ATML	8,713,804
MCL	3,194,180

Following the sale of the MCL and AANE businesses, the Joint Administrators are no longer trading from these sites (with the exception of Unit 2 at AANE). The Joint Administrators are now in the process of finalising the trading costs for these sites and a final account of these trading periods will be provided in the next progress report.

It is expected that AESL, ATML and the remaining Unit 2 site at Newton Aycliffe will continue to trade until sales of the business and assets are achieved and the Unit 2 operations are transitioned to Coventry.

Following appointment, the Joint Administrators contacted major suppliers in order to agree terms of trade during the Administrations, to ensure that the supply chain remained in place so that the Companies could continue to operate.

Trading terms were reached with the majority of key suppliers with undertakings provided to pay for on-going supplies as expenses of the Administrations.

Creditors will note that business critical settlements have been incurred and reflected in the attached receipts and payments accounts under the headings 'Ransom Payments' and 'ROT Payments'. ROT relates to suppliers who have reserved title to goods which have not been paid for whilst Ransom Payments are those payments which are required to facilitate supply of goods during the Administration processes and beyond.

As sales have now been completed in AANE and MCL the Joint Administrators have contacted suppliers to withdraw their undertakings with effect from the date of sales and to put the suppliers in contact with the respective purchasers.

The Joint Administrators contacted the Companies' banks on appointment to advise that the Companies have entered Administration.

The Companies operated a number of trading accounts with both Lloyds and HSBC. The Companies also operated duty deferment accounts with Lloyds. The Joint Administrators are aware of a number of offset claims being made against the funds held in the Companies Lloyds accounts that relate to the crystallisation of the HMRC debt owing in relation to the duty deferment guarantee provided by Lloyds. As these claims have not yet been realised the Joint Administrators are unable to confirm the anticipated cash at bank realisations for the Companies at this time.

The Joint Administrators have facilitated the continuation and completion of a number of tooling projects across all four sites. These projects have been undertaken for a variety of customers, who have funded the costs.

As the costs of tooling projects had been funded by the Companies pre-Administration, there was a bank of unbilled tooling WIP. The Joint Administrators are continuing to work with the customers to realise this value, as well as paying tool makers for their work undertaken during the trading period.

A further update of tooling realisations and associated expenses will be included in the next report to creditors.

A summary of the tooling receipts and payments during the reporting period are summarised below:

Company	Tooling Receipts (£)	Tooling Payments (£)
AESL	1,450,778	(825,471)
AANE	2,961,982	(1,857,348)
ATML	501,642	(118,223)
MCL	33,053	(31,300)

3.3 Investigations

The Joint Administrators have a statutory obligation to file a report with the DBEIS concerning the conduct of all directors of the Companies that have held office in the three years prior to the Joint Administrators appointment. The Joint Administrators have complied with the statutory duty of filing their confidential report with the DBEIS regarding the conduct of the Directors of the Companies.

If any Creditor has any information concerning the Companies affairs that it would like to bring to the Joint Administrators' attention, please do so by writing to matthew.dunnill@duffandphelps.com or by writing to Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

3.4 Costs

Payments made in the Reporting Period are set out in the attached receipts and payments accounts at Appendix 3.

All significant payments made during the Reporting Period relate to the ongoing trading of the Companies. A detailed breakdown of the trading costs is provided at Appendix 3 under the Joint Administrators' Trading Accounts.

3.5 Schedule of expenses

The Joint Administrators have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

4. Outcome for Creditors

4.1 Secured Creditors

The Group's main funding line, which was with Midcap, is secured against the asset base of the Companies and AGG including accounts receivable, Inventory, P&M and property. It is cross guaranteed by AAH, AMS, MEL and AIGL and is supported by a £20m Letter of Credit provided by Pangaea.

The debentures were created on 5 April 2019 and filed at Companies House on 15 April 2019.

At the Appointment Date, Midcap was owed £47.86 million by the Group.

Midcap will not recover its indebtedness from the Companies alone and will be reliant upon its additional security.

4.2 Preferential Creditors

Following the sales of the MCL and AANE businesses all employees were transferred pursuant to TUPE regulations. Accordingly, there will be no preferential claims in relation to these employees.

As detailed in the Proposals, following appointment, the Joint Administrators identified a total of 162 employee's roles were identified as redundant. Accordingly, a total of 162 employee roles which were redundant. This resulted in a number of preferential creditor claims, which consist of arrears of pay and holiday pay, the majority of which are subrogated to the DBEIS following payment to the employees by the RPS.

As detailed earlier in this report the Joint Administrators are currently in the process of agreeing all preferential claims with a view to issuing a distribution of 100p in £ during the next reporting period.

The Joint Administrators have provided for preferential creditor claims detailed in the Directors' SOA (as detailed in the Proposals). During the Reporting Period and following a detailed reconciliation this provision has been amended. Details of both are provided below for reference:

Company	Directors' Statement of Affairs (£)	Joint Administrators' Reconciliation (£)
AESL	154,500	85,600
AANE	10,500	11,100
ATML	67,500	24,300
MCL	13,500	8,200

These include both residual employee preferential claims and the subrogated claims from the RPS.

4.3 Unsecured Creditors

According to the Directors' SOA as at the Appointment Date, Unsecured Creditors total the amounts shown below. Claims received to date in the Administrations are also detailed below:

Creditor	AESL (£)	AANE (£)	ATML (£)	MCL (£)
Trade & Expense Creditors	17,982,417	2,760,762	5,064,607	478,517
HM Revenue & Customs	1,504,824	144,232	716,127	82,372
Total	19,487,241	2,904,994	5,780,734	560,889
Claims Received	22,802,923	4,201,726	7,215,508	1,580,850

Note that there may be duplication in the claims received due to subrogation, the process of agreement of unsecured, non-preferential claims has not yet commenced at which point these will be reconciled. Based on the current information available to the Joint Administrators, it is not anticipated that there will be sufficient realisations to enable a distribution to the Unsecured Creditors other than by virtue of the Prescribed Part.

The final figure is dependent on further asset realisations, costs of the individual Administrations and the quantum of creditor claims, once adjudicated.

An update will be provided in the Joint Administrators' next progress report.

4.4 Prescribed part

The Prescribed Part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the Unsecured Creditors would be disproportionate to the benefits.
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

The Companies granted floating charges to the Secured Creditor on 15 April 2019 and therefore Prescribed Part provisions will apply.

Due to the ongoing asset realisation strategy and in the interests of not prejudicing the ongoing sale process, the Joint Administrators are unable to provide an estimate of the value of the Prescribed Part provision, or the anticipated net property available at this time, for AESL and ATML. The Prescribed Part for AANE and MCL is estimated to be c£299k and c£296k respectively.

The Joint Administrators are able to apply to the Court for an order under Section 176A(5) of the Act to disapply the Prescribed Part where they consider that the costs of making such a distribution to non-preferential unsecured creditors would be disproportionate to the benefits. The Joint Administrators do not intend to make an application on this basis at this point.

5. Other matters

5.1 Creditors' Committee

A Creditors' Committee has not been established in any of the Companies.

5.2 Joint Administrators' Receipts and Payments accounts

Detailed Receipts and Payments Accounts for the period 7 May 2020 to 6 November 2020 are shown in Appendix 3.

5.3 Creditors' rights

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors' Rights.

6. Joint Administrators' fees and expenses and pre-Administration costs

6.1 Fees and expenses

At a meeting of Creditors held by correspondence on 20 August 2020, the secured and preferential creditors approved the Joint Administrators' time cost estimate and for future fees to be drawn on a time cost basis.

Time has been charged in six-minute units and details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the Reporting Period are as detailed in the below table:

Company	Time Cost	Total Hours	Average Hourly Cost
AESL	£2,037,573	6,125	£333
AANE	£1,366,134	3,611	£378
ATML	£1,823,477	4,585	£398
MCL	£1,284,784	3,483	£369

The above costs have exceeded the estimates provided in the Proposals; therefore, the Joint Administrators will be seeking approval to a revised cost estimate, from the Secured Creditor.

As detailed in the Proposals, the Joint Administrators initially anticipated that the trading of the Companies would only last a total of 16 weeks and this was the basis of the original cost estimate. The Joint Administrators have traded the businesses for the following periods:

Company	Number of weeks trading, as at 6 November 2020
AESL	26 weeks (still ongoing)
AANE	24 weeks
ATML	26 weeks (still ongoing)
MCL	23 weeks

Therefore, additional time has been incurred under all trading headings above that which was estimated in the Proposals.

Time costs have also exceeded that which was estimated in the heading Sale of Business, this is due to the Sale processes the Joint Administrators have been running for the Companies experiencing a variety of delays and multiple prospective purchasers. In addition to this, the second national lockdown and continuing economic uncertainty has also resulted in extended sales processes.

Attached at Appendix 6 is the Fees Narrative with a summary of key issues, to assist Creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to Creditors. Further details of assets and liabilities and the estimated return to Creditors, if any, are in the body of this report.

In the Reporting Period, the Joint Administrators have drawn remuneration as detailed in the table below, in accordance with the fee approval provided by the secured and preferential Creditors on 20 August 2020.

The fees drawn to date relate exclusively to trading time and can be summarised as follows:

AESL	£750,000
AANE	£500,000
ATML	£750,000
MCL	£500,000

Further fees will be drawn in accordance with a revised fee estimate which is subject to the relevant creditor approval.

Details of the total fees drawn by Joint Administrators are detailed in the Receipts and Payments accounts attached at Appendix 3.

Details of the expenses charged for the Reporting Period are attached at Appendix 4.

In the Reporting Period, the Joint Administrators have incurred disbursements relating to the ongoing trading of the Companies as detailed below for services provided by Duff & Phelps Ltd (defined as Category 2 Disbursements in the Statement of Insolvency Practice 9).

AESL	£676
AANE	£928
ATML	£447
MCL	£458

None of these have been paid to date.

Also attached at Appendix 6 is a narrative summary of the work carried out to assist Creditors in understanding the progress of the Administrations, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 7.

6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Companies entered Administration but with a view to it doing so. A detailed breakdown is provided overleaf:

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Legal fees	£23,126	-	£23,126
Legal Disbursements	£312	-	£312
Duff and Phelps	0.00	£279,200	£279,200
Total	£23,438	£279,200	£302,638

On 20 August 2020, the Pre-Administration costs were approved by the Secured and Preferential Creditors, to be paid out of the assets of the Companies. It is anticipated that these costs will be apportioned equally against the four trading entities, subject to the agreement of the Secured Creditor.

7. Future strategy

7.1 Future conduct of the Administrations

The Joint Administrators will continue to manage the affairs, business and property of the Companies in order to achieve the purpose of the Administrations. This will include but not be limited to the following:

- Finalising the trading of AANE Unit 2 and supporting the transition of its business to Coventry, AESL;
- Completing the sale of the business and assets of AESL and ATML;
- Finalising all trading accounts for each company;
- Paying outstanding costs of the Administrations;
- Making distributions to the secured and preferential creditors and Unsecured Creditors (where funds are available to do so);
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns.

7.2 Future reporting

The Joint Administrators will provide a further progress report within one month of 6 May 2021 or earlier if the Administrations have been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Matthew Dunnill.



James Saunders
Joint Administrator

Enc.

The affairs, business and property of the Companies are being managed by the Joint Administrators, Allan Graham, James Saunders and Matthew Ingram, who act as agents for the Companies and without personal liability. All are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory information

COMPANY INFORMATION

Company and trading name	Arlington Engineered Systems Limited	
Date of incorporation	3 June 2013	
Registered Number	08554261	
Company Director(s)	Mark Franckel and Peter Coates	
Company Secretary	N/a	
Shareholders	Arlington Automotive Holdings Limited	
Trading address	79 Torrington Avenue Coventry CV4 9AQ	
Registered office	Current: c/o Duff and Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW	Previous: 79 Torrington Avenue Coventry CV4 9AQ

Any Other trading names

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales 002297 of 2020	
Appointor	Directors	
Appointment Date	7 May 2020	
Joint Administrators	James Saunders, Allan Graham and Matthew Ingram	
Original purpose	Achieving a better result for the Company's Creditors as a whole than would be likely if the Company was wound up (without first being in Administration).	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	6 May 2021	
Prescribed Part	The prescribed part has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

COMPANY INFORMATION

Company and trading name	AANE Realisations NE Limited Formerly Arlington Automotive NE Limited	
Date of incorporation	6 March 1984	
Registered Number	01797394	
Company Director(s)	Mark Franckel and Peter Coates	
Company Secretary	N/A	
Shareholders	Arlington Automotive Holdings Limited	
Trading address	Newton Aycliffe DL5 6UJ United Kingdom	
Registered office	Current: c/o Duff and Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Gurney Way Aycliffe Business Park Newton Aycliffe County Durham DL5 6UJ
Any Other trading names		

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales 002300 of 2020	
Appointor	Directors	
Appointment Date	7 May 2020	
Joint Administrators	James Saunders, Allan Graham and Matthew Ingram	
Original purpose	Achieving a better result for the Company's Creditors as a whole than would be likely if the Company was wound up (without first being in Administration).	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	6 May 2021	
Prescribed Part	The prescribed part has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

COMPANY INFORMATION

Company and trading name	Arlington Thermal Management Limited	
Date of incorporation	7 July 2003	
Registered Number	04824345	
Company Director(s)	Mark Franckel and Stephen Bamber	
Company Secretary	N/a	
Shareholders	Magal Engineering Limited	
Trading address	Headley Rd E Woodley Reading RG5 4SN United Kingdom	
Registered office	Current: c/o Duff and Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW	Previous: Suite 15B Manchester International Office Centre 11 Styal Road Manchester M22 5WB
Any Other trading names		

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales 002298 of 2020	
Appointor	Directors	
Appointment Date	7 May 2020	
Joint Administrators	James Saunders, Allan Graham and Matthew Ingram	
Original purpose	Achieving a better result for the Company's Creditors as a whole than would be likely if the Company was wound up (without first being in Administration).	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	6 May 2021	
Prescribed Part	The prescribed part has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

COMPANY INFORMATION

Company and trading name	Lagam Stourport Limited (formerly Magal Cables Limited)	
Date of incorporation	29 April 2004	
Registered Number	05115514	
Company Director(s)	Mark Franckel	
Company Secretary	N/a	
Shareholders	Magal Engineering Limited	
Trading address	Baldwin Rd Stourport-on-Severn DY13 9BB United Kingdom	
Registered office	Current: c/o Duff and Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW	Previous: Suite 15B Manchester International Office Centre 11 Styal Road Manchester M22 5WB
Any Other trading names		

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales 002299 of 2020	
Appointor	Directors	
Appointment Date	7 May 2020	
Joint Administrators	James Saunders, Allan Graham and Matthew Ingram	
Original purpose	Achieving a better result for the Company's Creditors as a whole than would be likely if the Company was wound up (without first being in Administration).	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	6 May 2021	
Prescribed Part	The prescribed part has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

Appendix 2 – Approved Proposals

- To continue to deal with such outstanding matters in relation to the Companies as the Joint Administrators consider necessary until such time as the Administrations cease to have effect;
 - To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administrations;
 - To investigate and, if appropriate, pursue any claims the Companies may have for the benefit of the Companies' Creditors; and
 - Seek an extension to the Administrations period if considered necessary.
-
- To make distributions to the Secured Creditors and Preferential Creditors where funds allow;
 - To make distributions to the Unsecured Creditors from the Prescribed Part, where applicable; and
 - To make further distributions to the Unsecured Creditors over and above the Prescribed Part, if funds become available and apply to court for authority to do so, where applicable.

That the Joint Administrators might use any or a combination of the following exit route strategies for each of the Companies in order to bring the Administrations to an end:

- Apply to Court for the Administration orders to cease to have effect from a specified time and for the return of control to the Directors;
- Place any of the Companies into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Allan Graham, James Saunders and Matthew Ingram of Duff & Phelps would act as Joint Liquidators should any of the Companies be placed into Creditors' Voluntary Liquidation. The Creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- If appropriate, the Administrators may decide to propose CVA's while any of the Companies are in Administration to provide a means of recovery for the Companies' creditors which will provide a better return than an asset sale or a liquidation of the Companies' assets.
- Petition the Court for a winding-up order placing the any of the Companies into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Allan Graham, James Saunders and Matthew Ingram of Duff & Phelps would act as Joint Liquidators should any of the Companies be placed into Compulsory Liquidation without further recourse to Creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies if the Joint Administrators consider that Liquidation is not appropriate for

any of the Companies because (1) they have no remaining property which might permit a distribution to its Creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow any of the Administrations to end automatically.

The Joint Administrators have also sought specific agreement to the following Proposals from the Secured and preferential creditors:

- That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administrations.
- That the Joint Administrators' Fee Estimates as detailed below be approved:
 - AESL – £1,197,100
 - AANE – £1,016,870
 - ATML – £1,209,700
 - MCL – £904,950
- That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administrations ("Category 2 Disbursements"), which have been charged in accordance with Duff & Phelps policy, as set out in Appendix 8;
- That the unpaid pre-Administration costs totalling £302,638, as detailed in the Joint Administrators' statement of pre-Administration costs, is approved for payment as an expense of the Administrations.
- Where a Creditors' Committee is formed, the Joint Administrator's will seek to obtain approval from the Creditors' Committee.
- That the Joint Administrators be discharged from all liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments accounts with the Registrar of Companies or their appointments otherwise ceasing.
- Where a Creditors' Committee is formed, The Joint Administrator's will seek to obtain approval from the Creditors' Committee.

Note that the Secured Creditor has not resolved to discharge the Joint Administrators from liability as at the date of this report.

Appendix 3 – Receipts and Payments accounts

Arlington Engineered Systems Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 07/05/2020 to 06/11/2020		
	£	€	\$
POST APPOINTMENT SALES			
Sales	4,309,185.40	15,743,442.35	470,065.44
	<u>4,309,185.40</u>	<u>15,743,442.35</u>	<u>470,065.44</u>
OTHER ASSET REALISATIONS			
Advance Customer Payments	1,837,644.62	-	-
HMRC Job Retention Scheme	243,807.03	-	-
	<u>2,081,451.65</u>	<u>-</u>	<u>-</u>
DIRECT COSTS			
Raw Materials	(4,721,989.87)	(10,626,044.65)	(205,279.57)
	<u>(4,721,989.87)</u>	<u>(10,626,044.65)</u>	<u>(205,279.57)</u>
OTHER DIRECT COSTS			
Direct Labour	(1,183,667.96)	-	-
Stock Purchases	-	(381,083.00)	-
Consumables Stores	(4,855.98)	-	-
	<u>(1,188,523.94)</u>	<u>(381,083.00)</u>	<u>-</u>
TRADING EXPENDITURE			
Legal Fees	(44,292.25)	-	-
Pensions	(122,771.02)	-	-
Utilities	(38,667.00)	-	-
Packaging	(5,511.90)	-	-
Telephone	(19,954.20)	-	-
Carriage	(352,505.94)	(1,919.85)	-
Duty	(8,763.29)	-	-
PAYE/NIC	(298,834.63)	-	-
ROT Stock	(132,865.58)	(172,501.75)	(2,519.54)
Joint Administrators Trading Costs	(750,000.00)	-	-
Insurance	(160,474.23)	-	-
Hire of Equipment	(20,744.81)	(2,609.86)	-
Repairs & Maintenance	(15,221.14)	-	(1,900.00)
Sundry Expenses	(2,650.26)	-	-
Agency Staff	(173,925.63)	-	-
Vehicle Running Costs	(1,007.08)	-	-
Security	(630.00)	-	-
Payroll Services	(5,221.98)	-	-
Agents/Valuers fees	(2,773.80)	-	-
Healthcare	(4,891.74)	-	-
HR Services	(8,690.00)	-	-
Union Payments	(3,322.81)	-	-
Childcare Vouchers	(31.05)	-	-
Licence Fee	(150,765.57)	-	-
Employee Expenses	(5,932.51)	-	-
	<u>(2,330,448.42)</u>	<u>(177,031.46)</u>	<u>(4,419.54)</u>
TRADING SURPLUS/(DEFICIT)	<u>(1,850,325.18)</u>	<u>4,559,283.24</u>	<u>260,366.33</u>

Note: the Trading Surplus noted above represents cash receipts and cash payments at the date of the Receipts and Payments account and is not indicative of the final trading surplus or deficit.

Arlington Engineered Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs		From 07/05/2020 to 06/11/2020		
£		£	€	\$
	SECURED ASSETS			
3,150,000.00	Land and Buildings	-	-	-
4,648,286.00	Debtor Receipts	63,698.62	6,311.13	7,283.52
		63,698.62	6,311.13	7,283.52
	SECURED CREDITORS			
	Transfer of Debtor Receipts	(48,279.54)	(14,057.03)	(7,283.52)
		(48,279.54)	(14,057.03)	(7,283.52)
	ASSET REALISATIONS			
	Bank Interest	-	-	57.21
	Cash at Bank	-	51,000.00	-
144,000.00	Finished goods	-	-	-
	Funds from EUR account	910,663.87	-	-
536,000.00	Material Stock	-	-	-
	Misc income	471.66	-	-
	Ransom Contributions	5,415,934.00	6,518,202.00	-
	Stock	416,738.59	307,687.32	-
	Tooling Receipts	261,389.20	1,296,814.45	37,822.48
23,000.00	WIP	-	-	-
	TRADING SURPLUS/(DEFICIT)	(1,850,325.18)	4,559,283.24	260,366.33
		5,154,872.14	12,732,987.01	298,246.02
	COST OF REALISATIONS			
	Consultancy	(30,000.00)	-	-
	Agents/Valuers fees	(7,750.00)	-	-
	Bank Charges	(1,221.00)	(6,851.66)	(750.93)
	Data room costs	(866.00)	-	-
	Funds to GBP account	-	(1,000,000.00)	-
	Payment of funds to Slovakia	-	(36,000.00)	-
	Legal Fees	(6,009.50)	-	-
	Ransom Payments	(3,994,614.67)	(8,043,080.42)	(48,650.00)
	Stationery & Postage	(1,658.44)	-	-
	Statutory Advertising	(94.50)	-	-
	Tooling Payments	(425,033.89)	(419,315.15)	(31,258.82)
		(4,467,248.00)	(9,505,247.23)	(80,659.75)
		703,043.22	3,219,993.88	217,586.27
	REPRESENTED BY			
	Floating/main current account	237,137.82	6,481,120.04	311,985.85
	VAT Payable	(768,252.26)	(3,385,002.25)	(101,577.57)
	VAT Receivable	1,234,157.66	123,876.09	7,177.99
		703,043.22	3,219,993.88	217,586.27

Arlington Automotive NE Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 07/05/2020 to 06/11/2020		
£	£	€	\$
POST APPOINTMENT SALES			
Sales	2,572,235.99	4,045,291.21	-
	2,572,235.99	4,045,291.21	-
OTHER ASSET REALISATIONS			
Advance Customer Payments	1,516,735.44	-	-
HMRC Job Retention Scheme	204,759.05	-	-
	1,721,494.49	-	-
DIRECT COSTS			
Raw Materials	(1,410,119.24)	(2,578,772.44)	-
	(1,410,119.24)	(2,578,772.44)	-
OTHER DIRECT COSTS			
Direct Labour	(574,504.89)	-	-
Pension Contributions	(52,494.87)	-	-
Direct Expenses	(101.43)	-	-
	(627,101.19)	-	-
TRADING EXPENDITURE			
Indirect Labour	(49,585.02)	-	-
Rents	(86,305.97)	-	-
ROT Stock	(77,430.83)	(41,371.08)	-
Heat & Light	(71,030.27)	-	-
Agents/Valuers Fees	(8,048.07)	-	-
Haulage	(19,127.08)	-	-
Insurance	(52,541.65)	-	-
Joint Administrators Remuneration	(500,000.00)	-	-
Employee Costs	(11,087.440)	-	-
Hire of Equipment	(63,933.41)	-	-
Repairs & Maintenance	(7,546.70)	-	-
Packaging	(5,444.28)	-	-
Telephone Costs	(3,979.60)	-	-
Staff Expenses	(1,279.93)	-	-
Legal Fees	(44,292.25)	-	-
IT Costs	(18,589.23)	-	-
HR Services	(17,556.44)	-	-
Union Payments	(209.30)	-	-
Licence fee	-	-	-
	(1,037,987.47)	(41,371.08)	-
TRADING SURPLUS/(DEFICIT)	1,218,522.58	1,425,147.69	-

Note: the Trading Surplus noted above represents cash receipts and cash payments at the date of the Receipts and Payments account and is not indicative of the final trading surplus or deficit.

Arlington Automotive NE Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs		From 07/05/2020 to 06/11/2020		
£		£	€	\$
180,000.00	SECURED ASSETS			
	Debtors	17,261.60	2,659.68	-
	Freehold Land & Property	1.00	-	-
	Intangible Assets	4.00	-	-
		17,266.60	2,659.68	-
	ASSET REALISATIONS			
	Cash at Bank	16,879.62	19,663.54	-
	Motor Vehicles	1,000.00	-	-
1,331,800.00	Plant & Machinery	613,995.00	-	-
	Ransom Contributions	419,478.18	-	-
	Staff Compromise Contribution	100,100.00	-	-
75,000.00	Stock	135,000.00	-	-
	Sundry Refunds	14.40	-	-
	Tooling Receipts	2,961,981.94	-	-
	TRADING SURPLUS/(DEFICIT)	1,218,522.58	1,425,147.69	-
		5,466,971.72	1,444,811.23	-
	COST OF REALISATIONS			
	Agents/Valuers Fees	(4,000.00)	-	-
	Bank Charges	(162.00)	(182.05)	-
	Data Room Costs	(288.00)	-	-
	Legal Fees	(150.00)	-	-
	Legal Fees pre insolvency	(5,859.50)	-	-
	Ransom Payments	(294,605.43)	-	-
	Staff Compromise Settlement	(79,132.11)	-	-
	Stationery & Postage	(796.80)	-	-
	Statutory Advertising	(94.50)	-	-
	Tooling Payments	(1,857,347.50)	-	-
		(2,242,435.84)	(182.05)	-
		3,241,802.48	1,447,288.86	-
	REPRESENTED BY			
	Floating/main current account	3,350,265.41	1,733,344.08	-
	VAT Payable	(961,526.54)	(809,058.18)	-
	VAT Receivable	853,063.61	523,002.96	-
		3,241,802.48	1,447,288.86	-

**Arlington Thermal Management Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 07/05/2020 to 06/11/2020		
	£	€	\$
POST APPOINTMENT SALES			
Sales	4,769,312.34	3,496,267.06	-
	<u>4,769,312.34</u>	<u>3,496,267.06</u>	<u>-</u>
OTHER ASSET REALISATIONS			
Advance Customer Payments	1,654,377.00	-	-
HMRC Job Retention Scheme	281,001.09	-	-
	<u>2,235,378.09</u>	<u>-</u>	<u>-</u>
DIRECT COSTS			
Raw Materials	(3,327,276.38)	(3,214,303.63)	-
	<u>(3,327,276.38)</u>	<u>(3,214,303.63)</u>	<u>-</u>
OTHER DIRECT COSTS			
Direct Labour	(1,735,609.51)	-	-
Pension Contributions	(124,615.46)	-	-
Direct Expenses	(9,496)	(956.40)	-
Consumables Stores	(11,735.64)	-	-
	<u>(1,922,675.57)</u>	<u>(956.40)</u>	<u>-</u>
TRADING EXPENDITURE			
Equipment Costs	(32,583.59)	-	-
ROT Stock	(23,680.39)	-	-
Heat & Light	(207,750.63)	-	-
IT Costs	(41,210.51)	-	-
Telephone	(19,550.79)	-	-
Carriage	(85,426.10)	(362.97)	-
Insurance	(72,933.87)	-	-
Sub Contractor	(15,964.09)	(21,033.82)	-
Data Room costs	(45.00)	-	-
Security Costs	(1,989.20)	-	-
Lease/IR Payments	(117,964.53)	-	-
Hire of Equipment	(4,292.22)	(204.40)	-
Repairs & Maintenance	(47,017.96)	-	-
Sundry Expenses	(1,875.95)	-	-
Rents	(184,739.38)	-	-
Vehicle Running Costs	(798.25)	-	-
Union Payments	(685.36)	-	-
Stationery	(2,931.33)	-	-
Health & Safety	(9,046.14)	-	-
Wages Contribution and PAYE/NI	(539,036.89)	-	-
Joint Administrators Remuneration	(750,060.00)	-	-
Agents/Valuers Fees	(25,061.54)	-	-
Import Taxes	(6,731.11)	-	-
Licence Fees	(15,585.86)	-	-
HR Services and Employee Benefits	(15,860.20)	-	-
Legal fees	(44,282.25)	-	-
	<u>(2,266,975.04)</u>	<u>(21,601.19)</u>	<u>-</u>
TRADING SURPLUS/(DEFICIT)	<u>(512,436.56)</u>	<u>259,426.44</u>	<u>-</u>

Note: the Trading Surplus noted above represents cash receipts and cash payments at the date of the Receipts and Payments account and is not indicative of the final trading surplus or deficit.

**Arlington Thermal Management Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 07/05/2020 to 06/11/2020		
		£	€	\$
	SECURED ASSETS			
377,000.00	Plant & Machinery	-	-	-
2,000,000.00	Debtors	571,562.57	460,322.41	-
		571,562.57	460,322.41	-
	SECURED CREDITORS			
	Fixed Charge Distribution	(571,562.57)	(460,322.41)	-
		(571,562.57)	(460,322.41)	-
	ASSET REALISATIONS			
	TRADING SURPLUS/(DEFICIT)	(512,436.56)	259,428.44	-
58,000.00	Finished Goods	-	-	-
	Ransom Contributions	1,098,602.60	899,428.00	-
	Tooling Receipts	98,993.32	451,415.00	-
	Bank Interest	16.32	-	-
1,055,000.00	Plant & Machinery	-	-	-
23,000.00	Stock	-	-	-
282,000.00	WIP	-	-	-
		2,684,775.70	1,670,269.44	-
	COST OF REALISATIONS			
	Agents/Valuers Fees	(7,750.00)	-	-
	Tooling Payments	(75,300.00)	(48,074.73)	-
	Ransom Payments	(1,797,640.85)	(768,806.70)	-
	Legal Fees	(9,029.50)	-	-
	Bank Charges	(1,603.00)	(3,354.25)	-
	Data Room Costs	(1,732.00)	-	-
	Re-Direction of Mail	(180.50)	-	-
	Stationery & Postage	(875.10)	-	-
	Statutory Advertising	(94.50)	-	-
		(1,894,185.45)	(820,214.58)	-
		790,590.25	790,054.86	-
	REPRESENTED BY			
	Floatingman current account	540,820.26	697,329.01	-
	VAT Payable	(971,620.27)	(171,354.78)	-
	VAT Receivable	697,996.49	4,461.70	-
		267,296.48	530,435.93	-

Magal Cables Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 07/05/2020 to 06/11/2020		
	£	€	\$
POST APPOINTMENT SALES			
Sales	3,188,623.55	189,089.00	-
	3,188,623.55	189,089.00	-
OTHER ASSET REALISATIONS			
Advance Customer Payments	640,108.00	-	-
HMRC Job Retention Scheme	56,851.23	-	-
	696,959.23	-	-
DIRECT COSTS			
Raw Materials	(1,254,156.91)	(56,620.19)	-
	(1,254,156.91)	(56,620.19)	-
OTHER DIRECT COSTS			
Direct Labour	(459,010.58)	-	-
Pension Contributions	(31,937.28)	-	-
Employee Costs	(35,131.77)	-	-
Consumables Stores	(6,997.28)	-	-
	(533,076.91)	-	-
TRADING EXPENDITURE			
Indirect labour	(139,100.68)	-	-
Joint Administrators Trading Costs	(500,000.00)	-	-
Utilities	(2,217.78)	-	-
Telephone	(3,013.24)	-	-
Legal Fees	(44,292.25)	-	-
Carriage	(127,698.27)	(402.64)	-
Insurance	(34,088.15)	-	-
Contractor Payments	(20,001.20)	-	-
Agents/Valuers fees	(1,629.71)	-	-
PAYE/NIC	(132,056.95)	-	-
Lease/HP Payments	(3,769.30)	-	-
Hire of Equipment	(37,712.85)	-	-
Repairs & Maintenance	(61,225.35)	(1,916.66)	-
Sundry Expenses	(2,508.63)	-	-
Vehicle Running Costs	(87.51)	-	-
Recovery of Employee Costs	44,465.30	-	-
Stationery	(947.52)	-	-
Licence Fee	(10,403.31)	-	-
Raw materials - new co	196,358.34	-	-
HR Services	(7,150.00)	-	-
Union Payments	(528.61)	-	-
Attachment of Earnings	(818.26)	-	-
Duty	(866.56)	-	-
ROT Stock	(344,705.09)	-	-
	(1,233,997.58)	(2,319.30)	-
TRADING SURPLUS/(DEFICIT)	864,351.38	130,149.51	-

Note: the Trading Surplus noted above represents cash receipts and cash payments at the date of the Receipts and Payments account and is not indicative of the final trading surplus or deficit.

Magal Cables Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs	From 07/05/2020 to 06/11/2020		
	£	€	\$
	SECURED ASSETS		
	Customer Contracts	1.00	-
	Sales Information	1.00	-
	Goodwill	1.00	-
	Intellectual Property	1.00	-
597,746.00	Debtors	99,532.91	-
		99,536.91	-
	SECURED CREDITORS		
	Fixed charge distribution	(99,532.91)	-
		(99,532.91)	-
	ASSET REALISATIONS		
	Business Records	1.00	-
109,000.00	Finished Goods	-	-
	Motor Vehicles	15,000.00	-
560,000.00	Plant & Machinery	1,134,995.00	-
	Ransom Contributions	305,022.00	-
260,000.00	Stock	636,694.39	-
	Third party monies	33,206.48	-
	Tooling receipts	33,053.39	-
37,000.00	WIP	-	-
	TRADING SURPLUS/(DEFICIT)	864,351.38	130,149.51
		3,022,323.64	130,149.51
	COST OF REALISATIONS		
	Agents/Valuers fees	(7,750.00)	-
	Bank Charges	(1,365.00)	(198.10)
	Legal Fees	(9,049.50)	-
	Ransom payments	(174,615.19)	-
	Stationery & Postage	(267.58)	-
	Statutory Advertising	(94.50)	-
	Tooling Payments	(31,300.00)	-
		(224,441.77)	(198.10)
		2,797,885.87	129,951.41
	REPRESENTED BY		
	Floating/main current account	2,662,260.15	129,951.41
	VAT Payable	(226,204.20)	-
	VAT Receivable	361,829.92	-
		2,797,885.87	129,951.41

Appendix 4 – Schedule of expenses

A summary of expenses incurred during the period of this report is set out below:

Schedule of Expenses	AESL	AANE	ATML	MCL
Expenses				
Consultancy	30,000	-	-	-
Agents/Valuers fees	7,750	4,000	7,750	7,750
Tooling Payments	799,422	1,857,348	118,223	31,300
Ransom Payments	11,219,374	294,605	2,484,075	174,615
Legal fees	6,010	6,010	9,030	9,050
Bank Charges	7,935	325	4,580	1,542
Data Room Costs	866	288	1,732	-
Re-Direction of Mail	-	-	161	-
Postage	1,658	797	875	268
Statutory Advertising	95	95	95	95
Total	12,073,110	2,163,468	2,626,521	224,620

Where costs have been incurred in a different currency these have been converted to £ in the above table.

The Joint Administrators choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

The above costs exclude VAT.

Appendix 5 – Analysis of time charged and Disbursements incurred

Arlington Engineered Systems Limited (In Administration)
Analysis of the Joint Administrators' Time Costs for the period 07/05/2020 to 06/11/2020
ADM -Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
Administration and Planning								
Case review & Case Diary management	0.00	0.00	1.50	9.50	0.00	11.00	2,550.00	231.82
Cashiering & accounting	0.00	152.20	92.30	113.80	0.00	358.30	133,674.00	373.08
Dealing with Directors and Management	0.00	0.50	0.00	12.20	0.00	12.70	2,568.00	202.20
IPS set up & maintenance	0.00	0.20	0.30	5.80	0.00	6.30	1,062.00	168.57
Insurance	0.00	0.55	0.00	0.00	0.00	0.55	214.50	390.00
Statutory matters (Meetings, Reports & Notices)	3.65	12.70	0.00	29.50	0.00	45.85	15,678.00	341.94
Strategy planning & control	35.50	34.00	5.80	64.05	0.00	139.35	59,590.50	427.63
Tax Compliance / Planning	8.00	6.00	0.00	54.40	0.00	68.40	12,965.00	189.55
	47.15	206.15	99.90	289.25	0.00	642.45	228,302.00	290.60
Creditors								
Communications with Creditors / Employees	0.00	7.90	0.00	186.85	0.00	194.75	40,027.50	205.53
Non Pref Creditor claims adjudication & distn	0.00	0.00	0.00	0.10	0.00	0.10	15.00	150.00
Non Pref Creditors / Employee claims handling	0.00	2.90	0.00	21.00	0.00	23.90	4,899.00	184.06
Pref claims adjudication & distribution	0.00	8.20	0.00	6.20	0.00	14.40	4,670.00	324.31
Secured Creditors	0.00	19.80	0.00	1.25	0.00	21.05	11,245.50	534.23
	0.00	38.80	0.00	215.40	0.00	254.20	60,357.00	279.62
Investigations								
CDDA & Reports & Communication	0.00	0.00	0.00	6.85	0.00	6.85	1,282.50	187.23
Financial review and investigations (S238/239 etc)	0.00	1.50	0.00	0.00	0.00	1.50	750.00	500.00
	0.00	1.50	0.00	6.85	0.00	8.35	2,032.50	343.61
Realisation of Assets								
Book debts	3.80	0.00	0.00	0.00	0.00	3.80	2,850.00	750.00
Freehold and Leasehold Property	0.00	4.80	0.00	2.65	0.00	7.45	2,520.50	338.32
Hire Purchase and Lease Assets	0.00	0.00	0.00	1.20	0.00	1.20	228.00	190.00
Other Tangible Assets	0.00	3.85	0.00	0.00	0.00	3.85	1,501.50	390.00
Sale of business	19.00	273.50	0.00	402.30	1.25	696.05	270,136.25	388.10
Stock & Work In Progress	0.00	1.25	0.00	0.30	0.00	1.55	682.00	440.00
	22.80	283.40	0.00	406.45	1.25	713.90	277,918.25	416.07
Trading								
Trading - Accounting	0.00	406.65	316.30	759.35	0.00	1,482.30	426,603.68	287.80
Trading - Employees	0.00	10.20	0.00	43.15	0.00	53.35	12,667.00	237.43
Trading - Hire Purchase Matters	0.00	0.00	0.00	0.40	0.00	0.40	76.00	190.00
Trading - Insurance	0.00	0.00	0.00	1.25	0.00	1.25	312.50	250.00
Trading - Operations	34.40	957.85	1,059.65	826.55	42.65	2,921.10	1,016,683.80	348.05
Trading - Retention of Title & Claims handling	0.00	2.00	17.70	28.05	0.00	47.75	12,620.50	264.30
	34.40	1,376.70	1,393.65	1,658.75	42.65	4,506.15	1,468,963.48	262.93
Total Hours:	104.35	1,906.55	1,493.55	2,576.70	43.90	6,125.05		332.66
Total Fees Claimed: £	77,847.50	972,716.81	503,521.50	477,999.92	5,487.50		2,037,573.23	

Arlington Engineered Systems Limited, AANE Realisations (NE) Limited (formerly Arlington Automotive NE Limited),
Arlington Thermal Management Limited; and Lagam Stourport Limited (formerly Magal Cables Limited) (All in Administration)
Joint Administrators' Progress Report to Creditors
3 December 2020

AANE Realisations (NE) Limited (Formerly Arlington Automotive NE Limited) (In Administration)
Analysis of the Joint Administrators' Time Costs for the period 07/05/2020 to 06/11/2020
ADM -Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours			Total Hours	Time Cost £	Avg Hourly Rate £
			Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	0.40	1.00	6.90	0.00	8.30	1,985.00	239.16
Cashiering & accounting	0.00	60.55	26.50	130.75	0.00	217.80	62,970.00	289.12
Dealing with Directors and Management	0.00	0.50	0.00	0.30	0.00	0.80	295.00	368.75
IPS set up & maintenance	0.00	0.20	0.00	6.30	0.00	6.50	1,063.00	163.54
Insurance	0.00	0.55	0.00	0.00	0.00	0.55	214.50	390.00
Statutory matters (Meetings, Reports & Notices)	0.60	10.10	0.00	31.05	0.00	41.75	12,310.00	294.85
Strategy planning & control	36.60	33.80	6.20	33.90	0.00	110.50	54,049.50	489.14
Tax Compliance / Planning	0.00	14.75	0.00	33.95	0.00	48.70	7,641.25	156.90
	37.20	120.85	33.70	243.15	0.00	434.90	140,528.25	298.93
Creditors								
Communications with Creditors / Employees	0.00	3.20	0.00	71.85	0.00	75.05	14,231.50	189.63
Non Pref Creditors / Employee claims handling	0.00	2.55	0.00	4.30	0.00	6.85	1,649.50	240.80
Pref claims adjudication & distribution	0.00	1.70	0.00	5.80	0.00	7.50	2,023.00	269.73
Secured Creditors	0.00	19.80	0.00	0.00	0.00	19.80	11,088.00	560.00
	0.00	27.25	0.00	81.95	0.00	109.20	28,992.00	315.04
Investigations								
CDDA & Reports & Communication	0.00	0.00	0.00	6.70	0.00	6.70	1,285.00	191.79
Financial review and investigations (S238/239 etc)	0.00	1.50	0.00	0.00	0.00	1.50	750.00	500.00
	0.00	1.50	0.00	6.70	0.00	8.20	2,035.00	345.90
Realisation of Assets								
Book debts	3.80	0.00	0.00	0.50	0.00	4.30	2,975.00	691.86
Freehold and Leasehold Property	0.00	0.40	0.00	0.15	0.00	0.55	193.50	351.82
Hire Purchase and Lease Assets	0.00	0.00	0.00	0.50	0.00	0.50	95.00	190.00
Other Tangible Assets	0.00	1.50	0.00	0.00	0.00	1.50	585.00	390.00
Sale of business	23.50	300.70	0.00	356.20	1.25	681.65	273,079.75	400.62
	27.30	302.60	0.00	357.35	1.25	688.50	276,928.25	404.86
Trading								
Trading - Accounting	0.00	532.90	384.40	208.45	0.00	1,125.75	421,213.98	374.16
Trading - Employees	0.00	21.05	0.00	41.10	0.00	62.15	16,690.00	268.54
Trading - Hire Purchase Matters	0.00	4.90	0.00	0.50	0.00	5.40	2,036.00	377.04
Trading - Insurance	0.00	6.65	0.00	2.05	0.00	8.70	3,106.00	357.01
Trading - Operations	31.50	816.45	26.95	201.95	0.00	1,076.85	440,379.62	408.95
Trading - Retention of Title & Claims handling	0.00	24.50	0.00	7.00	0.00	31.50	11,458.00	363.75
	31.50	1,406.45	411.35	461.05	0.00	2,310.35	894,883.60	356.24
Total Hours:	96.00	1,858.65	445.05	1,150.20	1.25	3,551.15		378.29
Total Fees Claimed: £	71,940.00	857,091.35	167,095.50	247,083.00	156.25		1,343,367.10	

AANE Realisations (NE) Limited (Formerly Arlington Automotive NE Limited) (In Administration)
Analysis of the Joint Administrators' Time Costs for the period 07/05/2020 to 06/11/2020
Unit 2

Classification of Work Function	Managing Director	Manager	Hours			Total Hours	Time Cost £	Avg Hourly Rate £
			Senior	Assistant	Support			
Trading								
Trading - Operations	0.00	46.10	9.20	4.95	0.00	60.25	22,767.50	377.88
	0.00	46.10	9.20	4.95	0.00	60.25	22,767.50	377.88
Total Hours:	0.00	46.10	9.20	4.95	0.00	60.25		377.88
Total Fees Claimed: £	0.00	18,054.00	3,496.00	1,217.50	0.00		22,767.50	

Arlington Engineered Systems Limited, AANE Realisations (NE) Limited (formerly Arlington Automotive NE Limited),
Arlington Thermal Management Limited; and Lagam Stourport Limited (formerly Magal Cables Limited) (All in Administration)
Joint Administrators' Progress Report to Creditors
3 December 2020

Arlington Thermal Management Limited (In Administration)

Analysis of the Joint Administrators' Time Costs for the period 07/05/2020 to 06/11/2020

ADM -Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
Administration and Planning								
Case review & Case Diary management	0.00	0.00	2.40	11.60	0.00	14.00	3,458.00	247.00
Cashiering & accounting	0.00	149.30	78.80	482.10	0.00	710.20	186,119.00	262.07
Dealing with Directors and Management	0.00	5.10	0.00	0.00	0.00	5.10	2,987.00	585.69
IPS set up & maintenance	0.00	0.20	0.00	3.05	0.00	3.25	535.50	164.77
Insurance	0.00	0.55	0.00	0.00	0.00	0.55	214.50	390.00
Statutory matters (Meetings, Reports & Notices)	0.60	10.60	0.00	27.75	0.00	38.95	12,043.00	309.19
Strategy planning & control	36.00	28.30	8.80	47.60	0.00	120.70	56,024.50	464.16
Tax Compliance / Planning	0.00	0.60	0.00	2.90	0.00	3.50	1,052.00	300.57
	36.60	194.65	90.00	575.00	0.00	896.25	262,433.50	340.43
Creditors								
Communications with Creditors / Employees	0.00	5.40	11.50	23.10	0.00	40.00	11,972.00	299.30
Non Pref Creditor claims adjudication & dist'n	0.00	0.00	0.30	0.00	0.00	0.30	114.00	380.00
Non Pref Creditors / Employee claims handling	0.00	2.20	0.20	6.50	0.00	8.90	1,919.00	215.62
Pref claims adjudication & distribution	0.00	2.20	0.00	4.65	0.00	6.85	2,017.50	294.53
Secured Creditors	0.00	17.10	0.00	0.10	0.00	17.20	9,591.00	557.62
	0.00	26.90	12.00	34.35	0.00	73.25	25,613.50	349.41
Investigations								
CDDA & Reports & Communication	0.00	0.00	0.00	5.45	0.00	5.45	1,072.50	196.79
Financial review and investigations (S238/239 etc)	0.00	1.50	0.00	0.00	0.00	1.50	750.00	500.00
	0.00	1.50	0.00	5.45	0.00	6.95	1,822.50	348.39
Realisation of Assets								
Book debts	3.70	0.00	0.00	0.50	0.00	4.20	2,900.00	690.48
Freehold and Leasehold Property	0.00	0.00	0.00	0.15	0.00	0.15	37.50	250.00
Hire Purchase and Lease Assets	0.00	0.00	0.00	3.60	0.00	3.60	609.00	169.17
Other Tangible Assets	0.00	0.00	0.00	0.40	0.00	0.40	76.00	190.00
Sale of business	17.00	216.35	0.00	408.25	0.00	641.60	240,035.00	374.12
Stock & Work In Progress	0.00	4.40	0.00	0.00	0.00	4.40	2,618.00	595.00
	20.70	220.75	0.00	412.90	0.00	654.35	246,275.50	378.13
Trading								
Trading - Accounting	0.00	421.25	109.60	268.95	0.00	799.80	332,209.18	415.37
Trading - Employees	0.00	7.60	25.25	41.20	0.00	74.05	21,424.00	289.32
Trading - Hire Purchase Matters	0.00	0.40	0.30	0.00	0.00	0.70	352.00	502.86
Trading - Insurance	0.00	0.00	0.00	1.30	0.00	1.30	325.00	250.00
Trading - Operations	34.10	971.60	711.75	306.25	0.00	2,023.70	913,632.68	451.47
Trading - Retention of Title & Claims handling	0.00	8.60	20.15	26.20	0.00	54.95	19,389.00	352.85
	34.10	1,409.45	867.05	643.90	0.00	2,954.50	1,287,331.86	376.98
Total Hours:	91.40	1,853.25	969.05	1,671.60	0.00	4,585.30		397.68
Total Fees Claimed: £	68,440.00	1,032,398.86	366,691.50	355,946.50	0.00		1,823,476.86	

Arlington Engineered Systems Limited, AANE Realisations (NE) Limited (formerly Arlington Automotive NE Limited),
Arlington Thermal Management Limited; and Lagam Stourport Limited (formerly Magal Cables Limited) (All in Administration)
Joint Administrators' Progress Report to Creditors
3 December 2020

Lagam Stourport Limited (Formerly Magal Cables Limited) (In Administration)
Analysis of the Joint Administrators' Time Costs for the period 07/05/2020 to 06/11/2020
ADM -Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
Administration and Planning								
Case review & Case Diary management	0.00	0.00	1.00	8.30	0.00	9.30	2,153.00	231.51
Cashiering & accounting	0.00	1.70	0.20	2.10	0.00	4.00	1,384.00	346.00
Dealing with Directors and Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IPS set up & maintenance	0.00	0.20	0.00	3.10	0.00	3.30	563.00	170.61
Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory matters (Meetings, Reports & Notices)	3.65	10.60	0.00	28.85	0.00	43.10	14,339.50	332.70
Strategy planning & control	35.20	4.00	0.00	8.90	0.00	48.10	29,938.00	622.41
Tax Compliance / Planning	1.50	14.25	1.50	38.60	0.00	55.85	9,258.75	165.78
	40.35	30.75	2.70	89.85	0.00	163.65	57,636.25	233.63
Creditors								
Communications with Creditors / Employees	0.00	2.80	0.00	11.30	0.00	14.10	3,503.00	248.44
Non Pref Creditors / Employee claims handling	0.00	2.90	0.00	4.95	0.00	7.85	1,899.50	241.97
Pref claims adjudication & distribution	0.00	1.70	0.00	4.30	0.00	6.00	1,738.00	289.67
Secured Creditors	0.00	19.90	0.00	0.10	0.00	20.00	11,159.00	557.95
	0.00	27.30	0.00	20.65	0.00	47.95	18,299.50	334.51
Investigations								
CDDA & Reports & Communication	0.00	0.00	0.00	6.05	0.00	6.05	1,162.50	192.15
Financial review and investigations (S238/239 etc)	0.00	1.50	0.00	0.00	0.00	1.50	750.00	500.00
	0.00	1.50	0.00	6.05	0.00	7.55	1,912.50	346.07
Realisation of Assets								
Book debts	3.70	0.00	0.00	0.00	0.00	3.70	2,775.00	750.00
Freehold and Leasehold Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hire Purchase and Lease Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Intangible Assets	0.00	0.50	0.00	0.00	0.00	0.50	250.00	500.00
Other Tangible Assets	22.50	302.65	0.00	340.10	1.25	666.50	272,342.25	408.62
Sale of business	0.00	1.25	0.00	1.50	0.00	2.75	910.00	330.91
	26.20	304.40	0.00	341.60	1.25	673.45	276,277.25	331.59
Trading								
Trading - Accounting	0.00	482.60	170.40	276.60	0.00	929.60	324,182.90	348.73
Trading - Employees	0.00	4.60	0.00	34.10	0.00	38.70	9,101.50	235.18
Trading - Hire Purchase Matters	0.00	0.00	0.00	1.00	0.00	1.00	190.00	190.00
Trading - Insurance	0.00	0.00	0.00	1.65	0.00	1.65	412.50	250.00
Trading - Operations	31.40	584.15	611.70	366.25	6.10	1,599.60	592,230.93	370.24
Trading - Retention of Title & Claims handling	0.00	2.10	0.70	17.30	0.00	20.10	4,541.00	225.92
	31.40	1,073.45	782.80	696.90	6.10	2,590.65	930,658.83	270.01
Total Hours:	97.95	1,437.40	785.50	1,155.05	7.35	3,483.25		368.85
Total Fees Claimed: £	73,097.50	714,931.58	261,340.00	234,496.50	918.75		1,284,784.33	

Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the period 7 May 2020 to 6 November 2020

Administration and planning

- Monitoring and reviewing the Administration strategy;
- Briefing staff on the Administration strategy and matters in relation to workstreams;
- Regular case management and reviewing of process including regular team update meetings and calls;
- Meeting with management to review and update strategy and monitor progress;
- Reviewing and authorising junior staff correspondence and other work;
- Dealing with queries arising during the appointment;
- Reviewing matters affecting the outcome of the Administrations;
- Preparing and updating estimated outcome statements;
- Completing regular case reviews and updating case strategy notes;
- Allocating and managing staff/ case resourcing and budgeting exercises and reviews;
- Liaising with legal advisors regarding various instructions; and
- Complying with internal filing and information recording practices, including documenting strategy decisions.

Time costs in this category do not provide a direct financial benefit to creditors, however, are necessary to ensure that the best strategy is adopted to maximise the outcome for Creditors, and ensure that the case is run efficiently.

Creditors

- Updating the list of Unsecured Creditors;
- Responding to enquiries from Creditors regarding the Administrations and submission of their claims;
- Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records;
- Drafting statutory Proposals and statutory progress reports;
- Providing written and oral updates to the Secured Creditor; regarding the progress of the Administrations and cases strategy;
- Liaising with employee creditors and RPS;
- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records
- Customer group – regular update calls with senior management

Time costs in this category are necessary to ensure that Creditors are kept updated as to the progress of the Administration, to assist them with submission of their claims, and ensure that their queries are dealt with, however these time costs do not provide a financial benefit to Creditors.

Investigations

- Securing, managing and reviewing the Companies' books and records;
- Securing full backups of all of the Companies IT records;

- Investigating the affairs of the Companies to identify any actions available against third parties in respect of antecedent transactions or other litigation;
- Obtaining and analysing the Companies' bank statements;
- Reviewing the Companies' statutory and management accounts, forecasts and cashflows;
- Obtaining records from third parties;
- Conducting interviews with counterparties;
- Enquiring with counterparties who have raised disputes against the Companies;
- Reviewing pre-appointment transactions;
- Documenting investigations; and
- Filing statutory reports on the conduct of the directors.

Time costs in this category will only provide a financial benefit to Creditors where successful claims are identified, leading to realisations. However, in any event the Administrators have a statutory duty to investigate the Company's affairs and provide their report to the DBEIS.

Statutory and compliance

- Ensuring compliance with all statutory obligations within the relevant timescales;
- Uploading information to the Creditors' website;
- Running decision procedures;
- Monitoring of the fee estimate;
- Monitoring of the expenses estimate;
- Filing all necessary notices with the Registrar of Companies and Court; and
- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9.

The role of an Administrator is highly regulated, and therefore, whilst the time costs in this category do not provide a financial benefit to creditors, they are necessary to ensure statutory compliance with insolvency legislation and best practice.

Cashiering

- Preparing statutory Receipts and Payments Accounts;
- Renewing bonding and complying with statutory requirements;
- Preparing and filing VAT returns;
- Preparing regular bank reconciliations;
- Processing all trading payments GBP and International and issuing remittances where required;
- Confirming bank details to ensure payment security;
- Processing all trading journals; and
- Processing wages payments.

Time costs in this category do not provide a direct financial benefit to creditors, but must be incurred to facilitate trading, as well as receipts and payments relating to asset realisations, and ensure accurate reporting.

Asset realisations

- Collating information from the Companies' records regarding assets, specifically compiling historical records on motor

vehicles, records of purchase and part exchange trading on the vehicles;

- Liaising with finance Companies in respect of assets subject to finance agreements;
- Liaising with agents regarding the sale of assets;
- Liaising with suppliers on retention of title claims;
- Preparation of information memorandum and marketing the businesses for sale;
- Review of offers and facilitate a period of Due Diligence;
- Negotiating the terms of sale and purchase agreement;
- Liaising with solicitors to complete the sale of businesses;
- Reviewing outstanding debtors and management of debt collection strategy;
- Seeking legal advice in relation to book debt collections;
- Communicating with landlords regarding rent; property occupation and other property issues;
- Liaising with third parties regarding costs incurred;
- Reviewing and agreeing invoices;
- Reviewing costs incurred to ensure recorded accurately; and
- Arranging payments to agents and solicitors in a timely manner.

The time costs in this category are directly beneficial to creditors, as these are incurred in respect of asset realisations, which increase the funds available for distribution to Creditors.

Trading

- Extension of the initial trading period from 16 weeks to date
- Preparing trading forecasts and cashflows and regularly updating these;
- Attending to supplier and customer queries and correspondence;
- Detailed discussions with the customer base regarding the terms of trade for the forecasted period;
- Agreement to terms of trade and ransom payments with major customers;
- Regular commercial and production update meetings with customers to ensure delivery of parts in line with schedules
- Negotiating continued supply with the Companies major suppliers;
- Negotiations with large number of suppliers to ensure trading without interruption including making business critical ransom payments where required.
- Dealing with Force Majeure notices and various lead time issues in light of Brexit and COVID related lead time issues
- Reviewing invoices to ensure they correspond with the relevant purchase orders;
- Raising payments to suppliers in respect of Administration costs;
- Managing employee matters; including ensuring safe working practices during Covid Pandemic
- Contacting all suppliers to obtain final invoices for the trading period;
- Supervision of allocating debtor monies received in the Pre-appointment bank accounts

- Liaising with HMRC regarding the Companies' import duty deferment accounts;
- Dealing with Creditors' ROT claims; arranging inventory take visits where required, reviewing claims and settling where appropriate
- Daily calls with major customers;
- Liaising with other customers regarding new trading agreements for administration period;
- Liaising with utility Companies and the relevant councils regarding rates;
- Arranging trading insurance; and
- Completing detailed Health and Safety Reviews, PPE Reviews and other checks required for COVID19.

Time costs in this category are directly beneficial to creditors as they have been incurred to enable a going concern sale of the business and assets.

Tax

- Analysing and considering the tax effects of asset sales;
- Working on tax returns relating to the periods affected by the Administration;
- Analysing VAT related transactions; reviewing the Companies' duty position to ensure compliance with duty requirements; and
- Dealing with post appointment tax compliance.

Time costs in this category are incurred to ensure statutory compliance and accurate reporting to HMRC.

Appendix 7 – Statement of Creditors' rights

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Matthew Dunnill at Matthew.Dunnill@duffandphelps.com.

Information for Creditors on remuneration and disbursements of Administrators

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from the Duff & Phelps' website at:

<https://www.duffandphelps.co.uk/services/disputes-and-investigations/restructuring/corporate-restructuring/creditor-guides-and-employee-fact-sheets>.

(Click on 'Administrations' under the heading 'Creditor Guides')

Should you require a copy, please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' remuneration and disbursements disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from Unsecured Creditors must be made with the concurrence of at least 5% in value of Unsecured Creditors (including, the Unsecured Creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Matthew Dunnill at The Chancery, 58 Spring Gardens, Manchester, M2 1EW

Appendix 8 – Definitions

Word or Phrase	Definition
AAH	Arlington Automotive Holdings Limited (In Administration) (Company Number: 08554259)
the Act	The Insolvency Act 1986 (as amended)
AESL	Arlington Engineered Systems Limited (Company Number: 08554261)
the Agents	European Valuations Limited, independent agents who were instructed to value the assets and assist in the trading of the Companies
AGG	Arlington Germany GmbH
AANE	AANE Realisations (NE) Limited (Formerly Arlington Automotive NE Limited) (Company Number: 01797394)
AMS	Arlington Management Services Ltd (In Administration) (Company Number: 08296565)
the Appointment Date	7 May 2020 being the date of appointment of the Joint Administrators
ATML	Arlington Thermal Management Limited (Company Number: 04824345)
Barclays	Barclays Bank PLC with whom the Companies banked.
Category 1 Disbursements	The Joint Administrators' external and incidental costs and expenses in dealing with the Administrations
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administrations
the Companies	AANE Realisations (NE) Limited (Formerly Arlington Automotive NE Limited) (Company Number: 01797394) Arlington Engineered Systems Limited (Company Number: 08554261) Arlington Thermal Management Limited (Company Number: 04824345) Lagam Stourport Limited (Formerly Magal Cables Limited) (Company Number: 04407738)
Creditors	All classes of creditor to the Companies
CVA	Company Voluntary Arrangement
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	The Directors of the Companies as detailed at Appendix 1
EC Regulation	EC Regulation on Insolvency Proceedings 2000

the Group	Arlington Automotive Group, a summary of the Group is attached at Appendix 10
HMRC	HM Revenue and Customs
HSBC	HSBC Bank PLC with whom the Companies banked.
JLR	Jaguar Land Rover
the Joint Administrators	Allan Graham and Matthew Ingram of Duff & Phelps Ltd, 35 Newhall Street, Birmingham, B3 3PU, and James Saunders of The Chancery, 58 Spring Gardens, Manchester, M2 1EW
Lloyds	Lloyds Bank PLC with whom the Companies banked
MCL	Lagam Stourport Limited (Formerly Magal Cables Limited) (Company Number: 05115514)
MEL	Magal Engineering Limited (In Administration) (Company Number: 04407738)
NOIA	Notice of Intention to Appoint Administrators
NDA	Non-Disclosure Agreement
OEM	Original Equipment Manufacture
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals issued on 30 June 2020
P&M	Plant and Machinery
Pangaea	Pangaea Two Acquisition Holdings VIII LLC, the Group's majority shareholder
Reporting Period	The period from 7 May 2020 to 6 November 2020
Remsons	Remsons Automotive Limited now trading as Magal Automotive Limited (Company Number: 12838779)
Ricor	Ricor North East Limited, (Company Number: 12624700)
ROT	Retention of Title
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)

the Secured Creditor / Midcap	Midcap Financial (Ireland) Limited, The holder of fixed and floating charges over the Companies' assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date
Unsecured Creditors	Non-preferential unsecured creditors of the Companies

Appendix 9 – Notice about this report

This report has been prepared by Allan Graham, James Saunders and Matthew Ingram, the Joint Administrators of the Companies, solely to comply with their statutory duty to report to Creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of any financial interest in the Companies or any other company in the same group.

Any estimated outcomes for Creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for Creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Allan Graham, James Saunders and Matthew Ingram are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd. does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the Administrations.

Appendix 10 – Group Structure

