

The Insolvency Act 1986

Administrator's progress report

Name of Company Bluebird Vehicles Limited	Company number 04969581
In the High Court of Justice, Chancery Division, Leeds District Registry	Court case number 717 of 2014

(a) Insert full name(s)
and address(es) of
administrator(s)

~~I/We~~ (a)
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Joint Administrators of the above company attach a progress report for the period

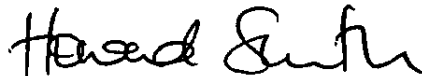
(b) Insert dates from

to

(b) 3 July 2014

(b) 2 January 2015

Signed



Joint Administrator

Dated

2 February 2015

Contact Details:

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

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When you have completed and signed this form, please send it to the Registrar of Companies at -

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Bluebird Vehicles Limited - in Administration

Joint Administrators' progress report for
the period 3 July 2014 to 2 January 2015

2 February 2015

Notice to creditors

This progress report provides an update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in this progress report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+BE704B0618.html> We hope this is helpful to you

Please also note that an important legal notice about this progress report is attached (Appendix 6)



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1 Executive summary

- The Directors resolved on 3 July 2014 to appoint us as Joint Administrators. The notice of appointment was lodged at High Court Leeds District Registry on 3 July 2014 and we were duly appointed.
- This progress report covers the period from the date of our appointment to 2 January 2015.
- We circulated our statement of proposals ('proposals') to all known creditors on 27 August 2014. They were deemed approved without modification on 9 September 2014.
- The Company ceased to trade at the date of appointment and we retained three employees to assist with a managed wind down of the business. We have subsequently completed a sale of the Company's assets including its motor vehicles, plant and machinery, intellectual property, stock and a small element of work in progress (Section 2 - Progress to date).
- We anticipate that Centric will be paid in full under its security, however it is anticipated that Finance Yorkshire will have a shortfall under its security (Section 3 - Dividend prospects).
- It is currently uncertain as to whether there will be a dividend to preferential creditors (Section 3 - Dividend prospects).
- It is highly unlikely there will be a dividend to the unsecured creditors, other than potentially by way of the Prescribed Part (Section 3 - Dividend prospects).
- Please note you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+BE704B0618.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Howard Smith
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

2.1 Strategy and progress to date

Strategy

As previously reported, on appointment we immediately reviewed the Company's trading position to determine the benefit of continuing to trade the small amount of work in progress. We determined that, due to the lack of ongoing orders and anticipated costs, it was not appropriate to continue trading in the administration. In addition, as a sale of business process had been attempted prior to our appointment, a sale as a going concern was not achievable.

The majority of the Company's 45 employees were based at the trading premises in Scarborough. On appointment 42 employees were immediately made redundant. We retained three employees including Robert Miller, a director of the Company, to assist with the finalisation of the Company's accounting and employee records and to assist with any potential retention of title claims by the Company's suppliers.

The Joint Administrators are currently finalising the collection of the remaining book debts and once this matter has been resolved, we will distribute the assets as appropriate and seek to move the Company to dissolution.

Sale of business

As reported in our proposals we instructed ES Group, specialist plant and machinery agents, to prepare a valuation of the business and assets of the Company, excluding book debts, on the basis of a disposal in their current location and on a break-up basis.

On 14 July 2014, we sold various assets of the Company to Woodall Nicholson, for £250,000, which was paid on completion. This offer was accepted by the Joint Administrators on the basis that it would reduce the potential costs of a break-up disposal and as Woodall Nicholson would honour certain warranties provided by the Company, to help maximise potential book debt collections.

The consideration from Woodall Nicholson was attributed as follows:

- Property rights/Patents - £10,000
- Books and records - £1
- Plant and machinery - £52,799
- Motor vehicles - £151,200
- Stock - £24,000
- Work in progress - £12,000

Details of the assets involved are described more fully below (Section 2.2 – Asset realisations).

In addition, various items of plant and machinery were sold to BES, a company owned by one of the Company's Directors, Robert Miller, for a total consideration of £9,500. The sale was concluded on the basis of an independent valuation prepared by ES Group and we are satisfied that the transaction was fully at arm's length. Further details on this transaction are provided below (Section 2.2 – Asset realisations).



2.2 Asset realisations

Property rights/Patents

The Company held various items of intellectual property associated with the design and manufacture of the Company's range of mini buses

An offer of £10,000 was accepted from Woodall Nicholson in relation to these items, as part of their offer for certain other assets of the Company. The sale was completed on 14 July 2014 and the funds are being held in a fixed charge bank account, as they are subject to Centric's fixed charge security

Debtors

The Company operated an invoice discounting facility with Centric, who have the benefit of a fixed and floating charge over the Company's assets and an assignment of book debts under a sales ledger financing agreement

At the date of our appointment the Company had an outstanding book debt ledger with a gross value of £857,221 and a balance of £562,859 due to Centric before any interest and charges. As per the Directors' statement of affairs, the Directors' estimated that £610,157 was realisable from the Company's book debt ledger

Following our appointment, we have continued to assist with the collection of these book debts with £5,796 (£5,164 book debts and £632 other debtors) having been paid directly to the Company and a further £448,433 being paid directly to Centric. This gives total realisations from book debt collections of £454,229 and leaves an outstanding ledger of £402,992

The largest outstanding debtor represents approximately £255,000 of the remaining ledger. This amount is due for payment, but is being disputed by the debtor concerned. Irwin Mitchell has been instructed to assist with the collection of this debt

Plant and machinery

The Company owned various items of plant and machinery at the date of our appointment

ES Group valued these items shortly after our appointment, with a market value of approximately £92,000 on the basis of the assets being retained in their current location and approximately £62,000 on a break-up basis (before any costs of realisation)

We accepted an offer of £52,799 from Woodall Nicholson on 14 July 2014 for the majority of these items, as agreed with ES Group. This consideration has been received by the Company

A number of smaller items, mainly hand tools, were excluded from the sale to Woodall Nicholson, with an agreement being reached with BES, a company operated by Robert Miller, a director of the Company, to purchase these assets for £9,500. This value was based on ES Group's valuation and was agreed with our agents. It was agreed that the payment for these assets would be deferred, with payments to date of £7,783 being received by ES Group and the remaining £1,717 is due to be received by our agents shortly

As a result, the Joint Administrators anticipate that they will realise £62,299 for the Company's plant and machinery



Motor Vehicles

The Company owned a number of Motor Vehicles at the date of our appointment, including a fully restored heritage bus, a demonstrator vehicle and a small number of vans

ES Group placed a market value on these items of between £154,000 and £177,000 (before any costs of realisation)

An offer of £151,200 was accepted from Woodall Nicholson for these items, with the agreement of ES Group, with the sale being completed on 14 July 2014

Stock

The Company had a large amount of stock located at their leasehold premises in Scarborough, some of which was subject to retention of title claims

ES Group valued the Company's stock, without any deduction for potential retention of title claims, at £165,000 on the basis of the assets being retained in their current location and £27,500 on a break-up basis, before any costs of realisation

As detailed above, Woodall Nicholson purchased the intellectual property of the Company. The majority of the stock held by the Company was specific to the vehicles they produced and in order to achieve the highest realisable value, a sale to Woodall Nicholson was agreed. As a result we agreed a sale of what right, title and interest the Company held in the stock, to Woodall Nicholson, on 14 July 2014 for £24,000

In addition, the Company held two items of work in progress at the date of our appointment, being a part completed mini bus and a prototype vehicle currently in the manufacturing stage. The Company had invested a substantial amount of money in tooling and design for the prototype vehicle. However the vehicle still required significant additional investment in order to be ready for the relevant approvals and testing, prior to being marketed and sold

As a result, a sale of the work in progress was agreed with Woodall Nicholson for £12,000, which was completed on 14 July 2014

Contribution to Landlord costs

The Company traded from leasehold premises in Scarborough. These comprise of four units, three units in one building and an additional unit in a separate building. A related Company, BES, traded from the Company's leasehold premises. A licence to occupy units 6a, 7 and 10 of the Plaxton's premises was provided to BES, for their continued occupation of the premises, up to the end of July 2014. An amount of £5,901 has been received from BES in relation to this licence period

Other assets

As mentioned above, Woodall Nicholson paid £1 for the Company's books and records

In addition, bank interest of £321 and sundry refunds of £81 have been received during the period. The Company also received the cash balance at the bank on the date of our appointment of £2,749 and a petty cash balance of £173

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors



We have complied with the relevant statutory requirements to provide information on the conduct of the Company's directors and any shadow directors to the Department for Business, Innovation and Skills. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2)

Summaries of the most significant payments made during the period are provided below

Leasehold costs

As detailed previously, the Company operated from four leasehold units located at Plaxton Park, Scarborough

We agreed a surrender of one unit, unit 8b, with the landlord on 28 July 2014. The Company has paid the majority of the costs for the period of occupation of this property during the administration, from 3 July 2014 to 28 July 2014.

The remaining three units, units 6a, 7 and 10, have been assigned to BES, a company owned by Robert Miller, a director of the Company, with effect from 1 August 2014. The Company has paid the majority of the costs for our period of the Company's occupation of these units during the administration, from 3 July 2014 to 31 July 2014.

The payment for business rates for the period of occupation, totalling £7,408, is still to be made.

ES Group confirmed that there was no value in the Company's leases.

Payments made to date to the Company's landlord in relation to the leasehold premises are as follows:

- Rent - £14,081
- Service Charge - £2,393
- Heat and light - £4,317
- Insurance - £286

Costs totalling £12,151 associated with BES's occupation have been recharged to BES. To date payments of £5,901 have been received by the Company in relation to these costs, with the balance anticipated to be received shortly.

Agents' fees/disbursements

ES Group was instructed to act as our agents in relation to the Company. They have significant experience of dealing with business and asset valuation and the sale of assets in insolvent situations.

To date payments of £6,000 in relation to agents' fees and £749 in relation to agents' disbursements have been made.

Solicitors' fees/disbursements

Irwin Mitchell was instructed to act as the solicitors in relation to the Company. They have significant experience of dealing with formal insolvencies and other corporate legal matters.

A summary of the assistance provided to us by Irwin Mitchell to date, during the administration, is as follows:



- assistance and advice in relation to the sale of the Company's assets to Woodall Nicholson,
- assistance with the review of retention of title claims,
- assistance with the collection of the Company's outstanding book debts and subsequent commencement of legal proceedings,
- advice regarding the Company's leasehold premises, including the surrender and assignment of the Company's leases,
- review of security documents in relation to the Centric and Finance Yorkshire charges and confirmation of their validity,
- assistance with our appointment and confirmation of the validity of the Joint Administrators appointment, and
- general advice regarding other post appointment matters

To date payments of £10,000 in relation to solicitors' fees and £50 in relation to solicitors' disbursements have been paid

Wages

Wages of £2,497 have been paid to John Anderson and Alan Guest, two employees of the Company, for their support provided during the course of the administration

Payroll costs

Payroll costs of £138 have been paid in relation to the processing of the above wages

Subcontractor costs

The Joint Administrators have made a payment of £1,000 to Robert Miller, a director of the Company, for his assistance during the course of the administration, specifically in relation to the collection of the book debts and reviewing retention of title claims

Insurance of assets

Willis Limited was instructed to review the Company's insurance arrangements. To date, a payment of £702 in relation to this review and insurance cover has been made to Willis Limited

Transportation cost

During the period, transportation costs of £630 has been paid in relation to the return of a vehicle to the Company's premises in Scarborough. This vehicle has since been sold by the Joint Administrators

Storage costs

During the period, storage cost of £818 has been made to Iron Mountain. Storage costs which have been invoiced but are yet to be paid, of £1,506, are accordingly reflected in the Schedule of expenses at Appendix 3

Redirection of mail

A payment of £195 has been incurred in relation to the mail redirection service

Statutory advertising

The Joint Liquidators advertised their appointment in the London Gazette. £85 has been paid in the period to Courts Advertising Limited for publishing the relevant notice



2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3)

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below

Agents' fees and disbursements

As part of their assistance with the realisation of the Company's assets, ES Group have further time costs and fees of approximately £2,500, which have been incurred during the period but not yet paid

Solicitors' fees and disbursements

Irwin Mitchell have unbilled legal costs of £18,722 and disbursements of £1,744 which have been incurred during the period

Storage costs

Storage costs of £1,506 have been incurred during the period but not yet paid

Business rates

Business rates of £7,408 have been incurred in relation to the Company's leasehold premises, but have not yet been paid

3 Dividend prospects

3.1 Secured creditors

Centric

Centric holds a fixed and floating charge over the Company's assets by virtue of a debenture dated 18 February 2014

We have received a security review from Irwin Mitchell confirming the validity of Centric's security

The quantum due to Centric under its security is currently unconfirmed, however based on the most recent correspondence with Centric, we anticipate that they will be repaid in full from the realisations in the administration

Finance Yorkshire

Finance Yorkshire holds a fixed and floating charge over the Company's assets by virtue of a debenture dated 14 April 2014

We have received a security review from Irwin Mitchell confirming the validity of Finance Yorkshire's security

We do not currently expect Finance Yorkshire to be repaid in full

3.2 Preferential creditors

We estimate the amount of preferential claims to be £27,476



Based on current estimates, it is uncertain whether there will be a dividend to preferential creditors. This is due to uncertainty over the level of book debt realisations.

3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors other than by virtue of the Prescribed Part.

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

We are seeking approval from secured and preferential creditors that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 4
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4

Should the circumstances of the administration change, we reserve the right to revert to the Company's unsecured creditors in order to seek approval for the basis of our remuneration.

Time costs

From the date of our appointment to 2 January 2015, we have incurred time costs of £240,685. These represent 850 hours at an average rate of £283 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £2,351. None of these have yet been paid.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 2 January 2015. We have also attached our charging and disbursements policy.

Where a creditors' voluntary liquidation is the exit route for the administration and if we are appointed as Joint Liquidators, the basis of remuneration which is approved for the administration will continue to apply in the creditors' voluntary liquidation.



5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to

- realisation of the remaining book debts,
- final distribution to Centric in relation to their security over the Company's assets,
- make a distribution to Finance Yorkshire under its security, if applicable,
- obtaining discharge of liability from secured and preferential creditors,
- dealing with creditor queries relating to the distribution of the Prescribed Part to unsecured creditors of the Company, if applicable, and
- finalising all other matters including payment of all Administration liabilities

5.2 Discharge from liability

We are seeking approval from the secured and preferential creditors that we be discharged from liability in respect of any action as Joint Administrators, upon the filing of our final receipts and payments account

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability

5.3 Future reporting

We will provide a further progress report within one month of [end date of next reporting period] or earlier if (1) an extension request is necessary or (2) the administration has been completed prior to that time

Appendix 1 Statutory information

Company name	Bluebird Vehicles Limited
Date of incorporation	19 November 2003
Company registration number	04969581
Present registered office	KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW

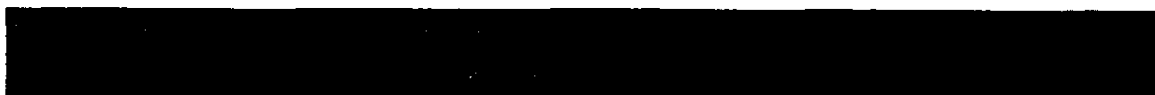
Administration appointment	The administration appointment granted in High Court Leeds District Registry, 717 of 2014
Appointor	Directors
Date of appointment	3 July 2014
Joint Administrators' details	Howard Smith, Gareth Harris and Brian Green
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £Nil Estimated Prescribed Part is £Nil The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)
Prescribed Part distribution	If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may apply to Court for the authority to make a distribution to the unsecured creditors, or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits Alternatively, the Prescribed Part will be automatically disapplied if the Net Property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	2 July 2015



Appendix 2 Joint Administrators' receipts and payments account

Statement of affairs (£)		From 03/07/2014 To 02/01/2015 (£)	From 03/07/2014 To 02/01/2015 (£)
	FIXED CHARGE ASSETS		
610,156 98	Book debts	5,163 74	5,163 74
	Other debtors	631 80	631 80
	Property rights/Patents	10,000 00	10,000 00
	Goodwill	1 00	1 00
	Bank interest, net of tax	16 72	16 72
		15,813 26	15,813 26
	FIXED CHARGE CREDITORS		
(503,799 00)	Centric SPV 1 Limited	NIL	NIL
		NIL	NIL
	HP/LEASING		
4,000 00	Heaters	NIL	NIL
(6,904 06)	ING	NIL	NIL
7,500 00	Photocopier	NIL	NIL
(16,277 87)	BNP Paribas	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Contribution to Landlord costs	5,901 42	5,901 42
62,799 00	Plant & machinery	52,799 00	52,799 00
151,200 00	Motor vehicles	151,200 00	151,200 00
24,000 00	Stock	24,000 00	24,000 00
12,000 00	Stock - work in progress	12,000 00	12,000 00
10,000 00	Property rights/Patents	NIL	NIL
	Cash at bank	2,749 48	2,749 48
	Petty Cash	172 86	172 86
		248,822 76	248,822 76
	OTHER REALISATIONS		
	Bank interest, net of tax	303 84	303 84
	Sundry refunds	81 16	81 16
		385 00	385 00
	COST OF REALISATIONS		
	Agents' fees	(6,000 00)	(6,000 00)
	Agents' disbursements	(749 14)	(749 14)

Statement of affairs (£)		From 03/07/2014 To 02/01/2015 (£)	From 03/07/2014 To 02/01/2015 (£)
	Legal fees	(10,000 00)	(10,000 00)
	Legal disbursements	(50 00)	(50 00)
	Subcontractor costs	(1,000 00)	(1,000 00)
	Service charge	(2,392 87)	(2,392 87)
	Payroll costs	(138 00)	(138 00)
	Heat & light	(4,317 27)	(4,317 27)
	Storage costs	(817 52)	(817 52)
	Re-direction of mail	(195 00)	(195 00)
	Statutory advertising	(84 60)	(84 60)
	Rent	(14,080 91)	(14,080 91)
	Insurance - Landlord	(285 57)	(285 57)
	Insurance of assets	(702 23)	(702 23)
	Transportation costs	(630 00)	(630 00)
	Bank charges	(60 00)	(60 00)
	Wages	(2,496 54)	(2,496 54)
		(43,999 65)	(43,999 65)
	PREFERENTIAL CREDITORS		
(5,191 16)	Employees	NIL	NIL
(22,284 90)	RPO	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(350,000 00)	Finance Yorkshire Limited	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,239,720 68)	Trade & expense	NIL	NIL
(61,591 83)	Non-preferential PAYE/NIC	NIL	NIL
(60,740 11)	Non-preferential VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(573,617 00)	Preference shareholders	NIL	NIL
(575,917 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(2,534,387 63)		221,021 37	221,021 37



Statement of affairs (£)	From 03/07/2014	From 03/07/2014
	To 02/01/2015 (£)	To 02/01/2015 (£)

REPRESENTED BY

Floating ch VAT rec'able	7,777 16
Fixed charge current	15,813 26
Floating charge current	203,794 61
Floating ch VAT payable	(51,180 28)
Floating ch VAT control	44,816 62

221,021 37	221,021 37
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Appendix 3 Schedule of expenses

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Agents' fees	6,000 00	2,650 00	8,650 00
Agents' disbursements	749 14	0	749 14
Legal fees	10,000 00	18,721 50	28,721 50
Legal disbursements	50 00	1,744 30	1,794 30
Subcontractor costs	1,000 00	0	1,000 00
Service charge	2,392 87	0	2,392 87
Payroll costs	138 00	0	138 00
Heat & light	4,317 27	0	4,317 27
Storage costs	817 52	1,505 82	2,323 34
Re-direction of mail	195 00	0	195 00
Statutory advertising	84 60	0	84 60
Rent	14,080 91	0	14,080 91
Insurance - Landlord	285 57	0	285 57
Insurance of assets	702 23	0	702 23
Transportation costs	630 00	0	630 00
Bank charges	60 00	0	60 00
Wages	2,496 54	0	2,496 54
Business rates	0	7,408 00	7,408 00
TOTAL	43,999 65	32,029 62	76,029 27

The Joint Administrators are entitled to receive remuneration for their services, pending agreement of the basis of the Joint Administrators' remuneration, it has been accrued on a time cost basis. Where appropriate, this will be adjusted once creditors have approved the basis.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses 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 our 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 must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor 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 Trang Nguyen at KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW



Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

http://www.r3.org.uk/media/documents/technical_library/Guides_to/Guide_to_Joint_Administrators_Fees_Nov2011.pdf

If you are unable to access this guide and would like a copy, please contact Trang Nguyen on 0113 2313914.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Grade	From 01 Oct 2014 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Senior Administrator	280
Administrator	205
Support	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include,



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

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

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate

We have incurred the following disbursements from the date of our appointment to 2 January 2015

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Meals	NIL	115 13	NIL	NIL	115 13
Mileage	NIL	NIL	NIL	1,527 80	1,527 80
Sundry	NIL	245 01	NIL	NIL	245 01
Telecommunications	NIL	5 41	NIL	NIL	5 41
Travel	NIL	457 82	NIL	NIL	457 82
Total	NIL	823 37	NIL	1,527 80	2,351 17

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company

Category 2 disbursements are to be approved in the same manner as our remuneration

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences, ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment, ■ issuing regular press releases and posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts, ■ arranging bonding and complying with statutory requirements, ■ dealing with all closure related formalities, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same, ■ briefing of our staff on the administration strategy and matters in relation to various work-streams,



reviews	<ul style="list-style-type: none"> ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews, ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of Centric and Finance Yorkshire regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts, ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks, ■ reviewing and processing employee expense requests, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant initial notifications to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations, ■ working initially on tax returns relating to the periods affected by the administration, ■ analysing VAT related transactions, ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment, ■ providing copies of statutory reports to the shareholders
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets, ■ liaising with finance companies in respect of assets subject to finance agreements, ■ liaising with agents regarding the sale of assets, ■ dealing with issues associated with the sale of stock, ■ reviewing outstanding debtors and management of debt collection strategy, ■ liaising with Company credit control staff and communicating with debtors, ■ seeking legal advice in relation to book debt collections, ■ reviewing the inter-company debtor position between the Company and other group companies
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases, ■ communicating with landlords regarding rent, property occupation and other issues, ■ performing land registry searches
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers, ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements, ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale, ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room, ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties, ■ carrying out sale negotiations with interested parties
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with, ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance

Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets, ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment, ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments, ■ communicating and corresponding with HM Revenue and Customs, ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees, ■ ensuring security of assets held by employees
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes, ■ calculating employee pension contributions and review of pre-appointment unpaid contributions, ■ ensuring compliance with our duties to issue statutory notices, ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment, ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals, ■ creating and updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits, ■ drafting our progress report
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration, ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies, ■ arranging for the redirection of the Company's mail, ■ reviewing the questionnaires submitted by the Directors of the Company, ■ reviewing pre-appointment transactions, ■ drafting the statutory report and submitting to the relevant authority

Time costs

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Bankrupt/Director/Member							
General correspondence	0 30		0 25		0 55	194 25	353 18
Notification of appointment	0 50		0 50		1 00	340 00	340 00
Cashiering							
General (Cashiering)	2 20	1 00	11 50		14 70	4,329 50	294 52
Reconciliations (& IPS accounting reviews)		1 60	1 00		2 60	1,032 50	397 12
General							
Books and records		0 10	29 95		30 05	6,586 75	219 19
Statutory and compliance							
Appointment and related formalities	1 00	2 00	38 90	0 20	42 10	10,684 50	253 79
Appointment documents			1 50		1 50	292 50	195 00
Bonding and bordereau	0 40		1 00		1 40	389 00	277 86
Checklist & reviews	1 00	3 20	21 50		25 70	6,772 50	263 52
Pre-administration checks				0 30	0 30	36 00	120 00
Reports to debenture holders	1 00	7 40	7 00		15 40	5,315 00	345 13
Statutory advertising			0 50		0 50	132 50	265 00
Strategy documents	4 25	1 00	7 50		12 75	4,158 75	326 18
Tax							
Initial reviews - CT and VAT		9 90	1 90		11 80	4,846 00	410 68
Post appointment corporation tax		18 30			18 30	7,224 50	394 78
Post appointment VAT	0 20	3 50	14 45		18 15	4,141 75	228 20
Creditors							
Creditors and claims							
General correspondence	0 50	10 70	128 55		139 75	34,174 75	244 54
Notification of appointment			2 50		2 50	487 50	195 00
ROT Claims	1 70	13 80	116 70		132 20	33,362 50	252 36
Secured creditors	2 30	1 50	0 70		4 50	1,972 50	438 33
Statutory reports	1 00	6 70	21 25		28 95	8,921 25	308 16
Employees							
Agreeing employee claims			0 20		0 20	41 00	205 00
Correspondence		0 50	61 00	1 00	62 50	15,507 50	248 12



	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Pension funds			5 50		5 50	1,084 50	197 18
Pensions reviews		1 10	16 50		17 60	3,759 00	213 58
Investigation							
Directors							
Correspondence with directors		0 40	5 75		6 15	1,433 75	233 13
D form drafting and submission			54 20		54 20	12,461 00	229 91
Statement of affairs			3 80		3 80	1,007 00	265 00
Investigations							
Review of pre-appt transactions			1 00		1 00	280 00	280 00
Realisation of assets							
Asset Realisation							
Cash and investments			1 75		1 75	411 25	235 00
Debtors	9 50	21 90	41 50		72 90	24,097 50	330 56
Freehold property			0 25		0 25	51 25	205 00
Health & safety			1 10		1 10	291 50	265 00
Leasehold property	2 90	7 30	9 50		19 70	6,761 50	343 22
Open cover insurance		2 10	1 50		3 60	1,215 00	337 50
Plant and machinery		3 70	4 50		8 20	2,680 00	326 83
Rent			6 50		6 50	1,722 50	265 00
Sale of business	28 00	34 10	3 00		65 10	27,512 50	422 62
Stock and WIP		3 00	1 00		4 00	1,420 00	355 00
Vehicles		6 00	4 75		10 75	3,553 75	330 58
Total in period	56 75	160 80	630 45	1 50	849 50	240,685 00	283 33

Brought forward time (appointment date to SIP 9 period start date)	0 00	0 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	849 50	240,685 00
Carry forward time (appointment date to SIP 9 period end date)	849 50	240,685 00

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



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All time shown in the above analysis is charged in units of six minutes.



Appendix 5 Glossary

BES	Bluebird Engineering Solutions Limited
Company	Bluebird Vehicles Limited - in Administration
Centric	Shawbrook Bank Limited (previously Centric Spv 1 Limited)
Directors	David John Bagley and Robert Cameron Miller
ES Group	ES (Group) Ltd
Finance Yorkshire	Finance Yorkshire Limited
Irwin Mitchell	Irwin Mitchell LLP
Joint Administrators/we/our/us	Gareth Harris, Howard Smith and Brian Green
KPMG	KPMG LLP
Woodall Nicholson	Woodall Nicholson Limited

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice About this report

This report has been prepared by Gareth Harris, Howard Smith and Brian Green, the Joint Administrators of Bluebird Vehicles Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, 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 or any financial interest in the Company.

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.

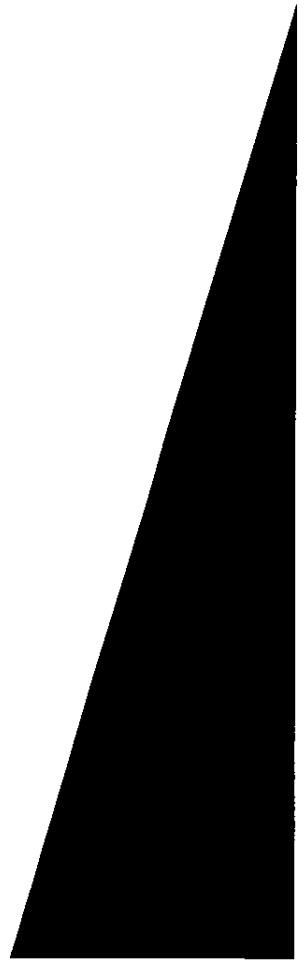
Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Gareth Harris and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.





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