

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company
Bluebird Vehicles Limited

Company number
04969581

In the High Court of Justice, Chancery Division, Leeds District Registry, (full name of court)

Court case number
717 of 2014

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

I/We (a)

Howard Smith
KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Brian Green
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

(b) Insert name and address of the registered office of company

having been appointed Joint Administrators of (b) Bluebird Vehicles Limited, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

(c) Insert date of appointment

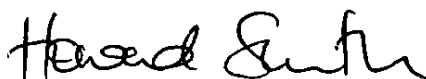
on (c) 03 July 2014 by (d) Director

(d) Insert name of applicant/appointer

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

4/We attach a copy of the final progress report

Signed



Joint Administrator

Dated

22 December 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

Trang Nguyen
KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA United Kingdom

Tel 0113 2313914



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

panies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



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Bluebird Vehicles Limited - in Administration

Joint Administrators' final progress report
for the period 9 November 2015 to 22
December 2015

23 December 2015

Notice to creditors

This progress report provides a final update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report

We have also explained the exit route from the administration and the outcome for each class of creditors

You will find other important information in the document such as the costs we have incurred

A glossary of the abbreviations used throughout this document is attached (Appendix 6)

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 report is attached (Appendix 7)



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1 Executive summary

- The Director resolved on 3 July 2014 to appoint us as Joint Administrators. The notice of appointment was lodged at the High Court of Justice, Chancery Division, Leeds District Registry on 3 July 2014 and we were duly appointed.
- This progress report covers the period from 9 November 2015 to 22 December 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. Our first progress report was circulated to the Company's creditors on 2 February 2015, with our extension and third progress report being circulated to all known creditors on 11 June 2015 and 4 December 2015 respectively.
- The Joint Administrators sought and were granted consent from the preferential and secured creditors of the Company to extend the Administration until 2 January 2016 (Section 2 - Progress to date).
- The Joint Administrators have concluded a sale of all assets of the Company and all of these sale proceeds have been received (Section 2 - Progress to date).
- Shawbrook has been paid in full under its security, two distributions have been made to Finance Yorkshire in the period, however Finance Yorkshire have suffered a shortfall under its security (Section 3 - Dividend prospects).
- A dividend of 100p in the £ has been distributed to preferential creditors in the period (Section 3 - Dividend prospects).
- During the period, the Joint Administrators made an application to the Court in order to have the Prescribed Part disapplied on the basis that the costs of making the distribution would outweigh the benefit. On 19 November 2015, the Court ordered that the Prescribed Part be disapplied.
- There will be no dividend distributed to the unsecured creditors (Section 3 - Dividend prospects).
- The Administration is due to end on 2 January 2016 and the Joint Administrators have no intention to extend the Administration period further.
- We have filed a copy of this final progress report with the Registrar of Companies together with the requisite form. The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.
- Please note you should read this progress report in conjunction with our previous progress report(s) and proposals issued to the Company's creditors <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 provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

As previously reported, we determined that 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.

As stated in our proposals, it was not necessary to hold a meeting of creditors, as the Company has insufficient property to enable us to make a distribution to unsecured creditors, other than potentially by way of the Prescribed Part (Paragraph 52(1)(b) statement – Insolvency Act 1986). However, the Joint Administrators have subsequently obtained approval from the Court that the Prescribed Part be disapplied on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits. As a result, no distribution will be made to the unsecured creditors.

The Joint Administrators have now concluded the collection of the remaining book debts and have distributed funds to the Company's secured and preferred creditors. As a result, the Joint Administrators have concluded the purpose of the administration and are taking steps to move the Company to dissolution.

Sale of assets

As previously reported, on 14 July 2014, we sold various assets of the Company to Woodall Nicholson, for £250,000, which was paid on completion.

In addition, various items of plant and machinery were sold to BES, a company owned by the Company's Director, Robert Miller, for total consideration of £9,500.

Further details of the assets realised is provided in our previous progress reports.

All assets of the Company have now been realised.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Other assets

Bank interest of £161 has been received during the period.

Investigations

We reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors.



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

Joint Administrators' fees and disbursements

During the period, the Joint Administrators have drawn fees of £129,167 against total time costs incurred since our appointment of £415,764. This takes the Joint Administrators total fees in the Administration to £158,917. In addition, £2,351 of disbursements has been paid in the period. No further fees or disbursement will be drawn.

Solicitors' fees and disbursement

Legal fees of £4,000 and disbursements of £1,050 have been paid to Irwin Mitchell during the period. These amounts include accruals from the prior period.

Contribution to Landlord costs

At the date of our appointment, another Company, BES, was in occupation of part of the Company's leasehold premises in Scarborough. As a result, an invoice was issued to BES in relation to the costs associated with their occupation, under a licence to occupy, for the lease period which had been paid by the Company.

However, BES did not make payment in full in relation to this invoice and ultimately entered administration. As a result, the remaining balance due to the Company, totalling £6,250 has been written off and the VAT element of the invoice has been reclaimed by the Company.

Other costs

Storage costs of £1,668 were paid in the Period to cover outstanding storage costs incurred to date and to cover future storage and destruction costs of the Company's records following closure of the Administration.

In addition, bank charges of £66 have been incurred during the period.

2.4 Schedule of expenses

We have detailed the costs incurred during the period in the schedule of expenses attached (Appendix 3). No further costs will be accrued.



3 Outcome for creditors

3.1 Secured creditors

Shawbrook (formerly Centric)

Shawbrook 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 Shawbrook's security

Shawbrook advised the Joint Administrators that they have been repaid in full from the book debt realisations in the Administration. Surplus book debt collections of £56,344 were transferred to the Joint Administrators' account in the prior period

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

A distribution of £12,721 in relation to its fixed charge and a distribution of £33,066 in relation to its floating charge have been made to Finance Yorkshire during the period

No further distributions will be made to Finance Yorkshire

Preferential creditors

Preferential creditor claims totalling £30,770 have been agreed

A first and final dividend to preferential creditors of 100p in the £ was declared on 26 November 2015 and paid during the period

The preferential creditors have now been paid in full

3.2 Unsecured creditors

We obtained an order from the Court on 19 November 2015 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 benefit

Accordingly, no dividend to unsecured creditors has been made

Please see Appendix 1 for further details in relation to the Prescribed Part

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

4.1 Joint Administrators' remuneration and disbursements

Time costs

From 9 November 2015 to 22 December 2015, we have incurred time costs of £22,429. These represent 75 hours at an average rate of £300 per hour.

Total time costs incurred since our appointment amounted to £415,764, which represents 1,441 hours at an average rate of £289 per hour.

Remuneration

During the period, we have drawn floating charge remuneration of £129,167 and total remuneration in the Administration of £158,917.

Disbursements

During the period we have paid disbursements of £2,351.

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 9 November 2015 to 17 December 2015. We have also attached our charging and disbursements policy.

5 Conclusion of the administration

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite form

The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

On 20 May 2015, Form 2.25B – Notice of conduct of business by correspondence was distributed to secured and preferential creditors, in which we sought approval to be discharged from liability immediately upon their appointment as Joint Administrators ceasing to have effect, according to Paragraph 98 of Schedule B1 of the Insolvency Act 1986.

As a result, we will be discharged from liability in respect of any action of ours as Joint Administrators at the earlier of the filing of this progress report at Companies House, or 2 January 2016.



Appendix 1 Statutory information

Company information	
Company name	Bluebird Vehicles Limited
Date of incorporation	19 November 2003
Company registration number	04969581
Present registered office	1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, Chancery Division, Leeds District Registry, 717 of 2014
Appointor	Director
Date of appointment	3 July 2014
Joint Administrators' details	Howard Smith and Brian Green
Functions	The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2)
Prescribed Part	The Joint Administrators applied to Court on 13 November 2015 to obtain an order that the Prescribed Part be disapplied on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefit. The Court granted the order on 19 November 2015.
Current administration expiry date	2 January 2016



Appendix 2 Joint Administrators' receipts and payments account

Bluebird Vehicles Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 09/11/2015 To 22/12/2015 (£)	From 03/07/2014 To 22/12/2015 (£)
FIXED CHARGE ASSETS			
610,156 98	Book debts	NIL	5,163 74
	Other debtors	NIL	631 80
	Property rights/Patents	NIL	10,000 00
	Goodwill	NIL	1 00
	Bank interest, gross	NIL	12 47
	Bank interest, net of tax	NIL	88 20
	Book debt surplus	NIL	56,343 70
		NIL	72,240 91
FIXED CHARGE COSTS			
	Administrators' fees	NIL	(29,750 00)
	Legal fees	NIL	(26,957 70)
	Legal disbursements	NIL	(2,792 30)
	Bank charges	(20 00)	(20 00)
		(20 00)	(59,520 00)
FIXED CHARGE CREDITORS			
(503,799 00)	Shawbrook Bank Limited	NIL	NIL
	Finance Yorkshire Limited	(12,720 91)	(12,720 91)
		(12,720 91)	(12,720 91)
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	NIL	5,901 42
62,799 00	Plant & machinery	NIL	62,299 00
151,200 00	Motor vehicles	NIL	151,200 00
24,000 00	Stock	NIL	24,000 00
12,000 00	Stock - work in progress	NIL	12,000 00
10,000 00	Property rights/Patents	NIL	NIL

Bluebird Vehicles Limited - In Administration
Abstract of receipts & payments

Statement of affairs (£)		From 09/11/2015 To 22/12/2015 (£)	From 03/07/2014 To 22/12/2015 (£)
	Cash at bank	NIL	2,749 48
	Petty Cash	NIL	172 86
		NIL	258,322 76
	OTHER REALISATIONS		
	Bank interest, gross	NIL	163 92
	Bank interest, net of tax	161 32	795 71
	Sundry refunds	NIL	380 21
		161 32	1,339 84
	COST OF REALISATIONS		
	Administrators' fees	(129,166 91)	(129,166 91)
	Administrators' expenses	(2,351 17)	(2,351 17)
	Agents' fees	NIL	(7,500 00)
	Agents' disbursements	NIL	(749 14)
	Legal fees	(4,000 00)	(20,196 00)
	Legal disbursements	(1,050 00)	(1,100 00)
	Subcontractor costs	NIL	(1,000 00)
	Service charge	NIL	(2,392 87)
	Payroll costs	NIL	(138 00)
	Heat & light	NIL	(4,317 27)
	Storage costs	(1,667 87)	(4,041 03)
	Re-direction of mail	NIL	(195 00)
	Statutory advertising	NIL	(169 20)
	Rent	NIL	(14,080 91)
	Rates	NIL	(4,188 78)
	Insurance - landlord	NIL	(285 57)
	Insurance of assets	NIL	(702 23)
	Transportation costs	NIL	(630 00)
	Bank charges	(45 75)	(125 75)
	Wages	NIL	(2,496 54)
		(138,281 70)	(195,826 37)
	PREFERENTIAL CREDITORS		
	Subrogated EP(C)A claim	(20,264 97)	(20,264 97)
	Employees' wage arrears	(10,505 17)	(10,505 17)
(5,191 16)	Employees	NIL	NIL
(22,284 90)	RPO	NIL	NIL



Bluebird Vehicles Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 09/11/2015 To 22/12/2015 (£)	From 03/07/2014 To 22/12/2015 (£)
	(30,770 14)	(30,770 14)
FLOATING CHARGE CREDITORS		
(350,000 00) Finance Yorkshire Limited	(33,066 09)	(33,066 09)
	(33,066 09)	(33,066 09)
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)	(214,697 52)	NIL
REPRESENTED BY		
Floating ch VAT rec'able		37,281 59
Fixed charge VAT rec'able		11,501 76
Floating ch VAT payable		(53,080 28)
Floating ch VAT control		15,798 69
Fixed charge VAT control		(11,501 76)
		NIL

Appendix 3 Schedule of expenses

Schedule of expenses (09/11/2015 to 22/12/2015)			
Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
Cost of realisations			
Legal Fees	4,000 00	0 00	4,000 00
Legal Disbursements	1,050 00	0 00	1,050 00
Storage costs	1,667 87	0 00	1,667 87
Bank charges	65 75	0 00	65 75
TOTAL	6,783 62	0 00	6,783 62

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 on 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA



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/publications/professional/Guide_to_Administrators_Fees_Nov_2011.pdf

If you are unable to access this guide and would like a copy, please contact Trang Nguyen on 0113 231 3914.

Hourly rates

Set out below are the relevant charge-out rates per hour worked 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.

Charge-out rates (£) for: Restructuring		
Grade	From 01 Oct 2014 £/hr	From 01 Oct 2015 £/hr
Partner	595	595
Director	535	535
Senior Manager	485	485
Manager	405	405
Senior Administrator	280	280
Administrator	205	205
Support	125	125

The hourly charge-out rates we use might periodically rise over the period of the administration, for example to cover annual inflationary cost increases.

Policy for the recovery of disbursements

We have recovered 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 not incurred any disbursements during the period

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 have been approved in the same manner as our remuneration

Narrative of work carried out for the period 9 November 2015 to 22 December 2015

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ briefing of our staff on the administration strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ reviewing and authorising junior staff correspondence and other work, ■ 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, ■ 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 Finance Yorkshire regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ 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 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, ■ drawing remuneration in accordance with the basis which has been approved by secured and preferential creditors, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Employees	<ul style="list-style-type: none"> ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees
Creditors and claims	<ul style="list-style-type: none"> ■ agreeing secure and preferential claims, ■ arranging distributions to the secured and preferential creditors, ■ drafting our progress report

Time costs

SIP 9 – Time costs analysis (09/11/2015 to 22/12/2015)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
Fund management	0.60	291 00	485 00
General (Cashiering)	2 50	782 50	313 00
Reconciliations (& IPS accounting reviews)	0 30	84 00	280 00
General			
Books and records	1.60	328 00	205 00
Statutory and compliance			
Checklist & reviews	7 50	1,837 50	245 00
Closure and related formalities	8 00	3,240 00	405 00
Statutory receipts and payments accounts	0 50	140 00	280 00
Tax			
Post appointment corporation tax	16 80	5,858 00	348 69
Post appointment VAT	5 80	1,438 50	248 02
Creditors			
Creditors and claims			
Agreement of preferential claims	4 30	1,204 00	280 00
General correspondence	5 50	1,127 50	205 00
Legal claims	1 50	672 50	448 33
Payment of dividends	1 80	873 00	485 00
Secured creditors	1 30	550 50	423 46
Statutory reports	15 30	3,692 50	241 34
Employees			
Agreeing employee claims	0 30	84 00	280 00
Pensions reviews	1 10	225 50	205 00
Total in period	74 70	22,429 00	300 25

Brought forward time (appointment date to SIP 9 period start date)	1,366 20	393,335 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	74 70	22,429 00
Carry forward time (appointment date to SIP 9 period end date)	1,440 90	415,764 00



Appendix 5 Summary of Joint Administrators' proposals

Due to a lack of interest in the business, following a sale of business process, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b)

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals

We propose the following

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above,
- to investigate and, if appropriate, to pursue any claims the Company may have,
- to seek an extension to the administration period if we consider it necessary

Distributions

- to make distributions to the secured and preferential creditors where funds allow,
- to apply to the Court for the authority to make a distribution to unsecured creditors if funds become available

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors,
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate,
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Gareth Harris, Howard Smith and Brian Green, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved,
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Gareth Harris, Howard Smith and Brian Green, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together,
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies

Alternatively, we may allow the administration to end automatically



Joint Administrators' remuneration

We propose that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3,
- 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 3

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies



Appendix 6 Glossary

BES	Bluebird Engineering Solutions Limited
Company	Bluebird Vehicles Limited - in Administration
Director	Robert Cameron Miller
Finance Yorkshire	Finance Yorkshire Limited
Irwin Mitchell	Irwin Mitchell LLP
Joint Administrators/we/our/us	Howard Smith and Brian Green
KPMG	KPMG LLP
Shawbrook	Shawbrook Bank Limited (previously Centric Spv 1 Limited)
Woodall Nicholson	Woodall Nicholson Limited

Any references in this progress report to sections, paragraphs and 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 7 Notice About this report

This report has been prepared by 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.

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

Brian Green is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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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