

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  [full name of court]	Court case number  717 of 2014

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

We (a)

Howard Smith  
KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

Brian Green  
KPMG LLP  
St Peters Square  
Manchester  
M2 3AE

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates

from

to

(b) 3 January 2015

(b) 8 May 2015

Signed



Joint Administrator

Dated

21 May 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.

Trang Nguyen KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW United Kingdom DX 724440 Leeds	Tel 0113 231 3914
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When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

SATURDAY



A09

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13/06/2015

#81

COMPANIES HOUSE



*cutting through complexity™*

# Bluebird Vehicles Limited - in Administration

Joint Administrators' extension report for  
the period 3 January 2014 to 8 May  
2015

20 May 2015

SATURDAY



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## Notice to creditors

This progress report provides an update on the administration of the Company and has been prepared in order for the creditors to consider the request to extend the period of the Administration

We have included (Appendix 2) an account of all amounts received and payments for the period of this report, being from 3 January 2015 to 8 May 2015

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 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 extension report covers the period from 3 January 2015 to 8 May 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 latest progress report was circulated to all known creditors on 2 February 2015.
- The Joint Administrators completed a sale of various assets of the Company on 14 July 2014 and all of these sale proceeds have been received.
- The remaining outstanding debtor, with a balance of approximately £255,000, is due for payment. A settlement offer for this debt has been received and agreed by Shawbrook, a secured creditor, and the Company (Section 2 - Progress to date).
- The administration is currently due to end on 2 July 2015. Hence, in accordance with Paragraph 76(2)(b) and 78 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are seeking consent from creditors to extend the Administration for a period of six months.
- This extension report accompanies a request to secured and preferential creditors to consider an extension of the administration period until 2 January 2016 (Section 5 – Future strategy).
- We anticipate that Shawbrook 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 anticipated that 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).
- Gareth Harris has been removed as Joint Administrator of the Company by Order of the Court on 24 April 2015 and is no longer an employee of KPMG.
- Please note you should read this report in conjunction with our proposals and previous progress report 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 extension report covers the period from the date of our previous progress report, from 3 January 2015 to 8 May 2015. However, please refer to our proposals and previous progress report where the relevant information has previously been disclosed.

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

### 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 the Director, 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. Once this matter has been resolved, we will distribute the assets to the Company's creditors, as appropriate, and seek to move the Company to dissolution.

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).

Due to the timing for collection of the remaining book debts of the Company, we will be unable to collect and distribute the assets of the Company prior to the automatic expiry of the Administration on 2 July 2015. As a result an extension to the Administration is required to allow the Joint Administrators sufficient time to finalise the Company's affairs.

As a consequence, in accordance with Paragraph 76(2)(b) and 78 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are seeking consent from the secured and preferential creditors to extend the Administration for a period of six months, until 2 January 2016.

#### Sale of business

As disclosed in our previous progress report, 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.

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

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. 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.



## 2.2 Asset realisations

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

### Debtors

As mentioned in our previous report, the main outstanding debtor of the Company represents approximately £255,000. The debt collection process has been undertaken in conjunction with Shawbrook, as the debt was assigned to them under the terms of their Invoice Finance facility. A settlement offer has now been received and agreed with the debtor, with payment anticipated shortly. The settlement offer is for less than the invoiced value and will be paid over a period of time, which based on legal advice was recommended to be accepted. Due to the ongoing nature of the settlement, further details cannot be disclosed at this time.

In addition, no further realisations are anticipated from the remaining debtor ledger balances, due to the non-provision of warranties. These were all of relatively small value.

### Plant and machinery

As previously discussed, the Joint Administrators accepted an offer of £52,799 from Woodall Nicholson on 14 July 2014 for the majority of plant and machinery, as agreed with ES Group. This consideration has been received by the Company in the previous reporting period.

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 the director of the Company, to purchase these assets for £9,500. This value was based on ES Group's valuation, and payment was made directly to them. These proceeds have been transferred to us during the period.

### Other assets

Bank interest of £162 and sundry refunds totalling £299, from VOSA Government Banking, have been received during the period.

### Investigations

We have 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.

### Agents' fees

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

During the period, agents' fees of £1,500 in relation to the sale of Plant and Machinery to BES have been paid (as detailed in section 2.2). This amount was accrued for in a prior period.

### Storage costs

Storage costs of £1,506 have been paid to Iron Mountain during the period. This amount was accrued for in a prior period.



## Business Rates

Business rates of £4,189 have been incurred in relation to the Company's leasehold premises and paid during the period. This amount was accrued for in a prior period.

## 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.

### Solicitors' fees

Irwin Mitchell has incurred legal costs of £16,499 and disbursements of £225, during the period, which have not yet been paid. These costs primarily relate to the settlement of the remaining debtor balance.

## 2.5 Removal of Joint Administrator from office

Please note that on 24 April 2015 an order was made in the High Court of Justice, Chancery Division, Leeds District Registry removing Gareth Harris as Joint Administrator of the Company. Mr Harris has now left the employment of KPMG. In accordance with the order, creditors and members were given notice of the order by advertisement in the London Gazette on 6 May 2015.

# 3 Dividend prospects

## 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.

The quantum due to Shawbrook under its security is currently unconfirmed, but it is understood that around £78,000 remains outstanding, before any fees and charges, on its facilities. Based on the most recent correspondence, with Shawbrook, 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 £29,745

Based on current estimates, it is anticipated that there will be a dividend to preferential creditors, however, the timing and quantum of any dividend is currently uncertain

### **3.3 Unsecured creditors**

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors

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

### **4.1 Joint Administrators' remuneration and disbursements**

On 2 February 2015, Form 2 25B – Notice of conduct of business by correspondence, along with our progress report to 2 January 2015 was distributed to secured and preferential creditors, in which we sought approval to the following resolutions in relation to remuneration and disbursements

- 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, and
- 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

We have received approval of our proposed resolutions from both of the Company's secured creditors - Shawbrook and Finance Yorkshire. However, we received no response from any of the Company's preferential creditors to these resolutions. As a result the above resolutions remain outstanding and a further approval request is being made to the Company's preferential creditors, as part of this report, in relation to the following resolutions

- 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, and
- 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

#### **Time costs**

During the period from 3 January 2015 to 8 May 2015, we have incurred time costs of £93,690. These represent 328 hours at an average rate of £286 per hour.

#### **Remuneration**

During the period, we have not drawn any remuneration.



## Disbursements

During the period, no disbursements have been incurred or drawn

## 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 8 May 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 debt,
- final distribution to Shawbrook in relation to their security over the Company's assets,
- first and final distribution to Finance Yorkshire, under its security, if applicable,
- making a distribution to the Company's preferential creditors, as appropriate,
- dealing with creditor queries and making a distribution of the Prescribed Part to unsecured creditors of the Company, if applicable, and
- finalising all other matters including payment of all Administration liabilities, before arranging to close the Administration and moving the Company to dissolution.

## 5.2 Extension of the administration

In accordance with Paragraph 76 of Schedule B1 of the Insolvency Act 1986, the appointment of Joint Administrators ceases to have effect at the end of the period of one year beginning with the date on which it takes effect, unless it is extended with the permission of creditors or the Court.

Hence, this appointment shall therefore cease at midnight on 3 July 2015.

It is our intention to seek consent from secured and preferential creditors for the Administration period to be extended, based on a Paragraph 52(1)(b) statement being made in our proposals. The extension period is being sought for the purposes of realising the remaining outstanding book debt balance, which is due to be received over the course of the next few weeks. Following the payment of the outstanding debtor balance, time is also required to allow a distribution to be made to the Company's secured and preferential creditors. After these distributions, the Joint Administrators will move towards concluding the Administration.

In accordance with Paragraph 76(2) (b) and 78 of Schedule B1 of the Insolvency Act 1986, we may obtain consent for an extension of the Administration period for a maximum of six months by receiving agreement from secured and preferential creditors.



This report has therefore been produced to support the extension request for a period of six months, to 2 January 2016

### **5.3 Discharge from liability**

We have sought consent from secured and preferential creditors that the Joint Administrators be discharged from liability under Paragraph 98 of Schedule B1 of the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

Consent was obtained from the secured creditors following our progress report, enclosing Form 2 15B, being distributed on 2 February 2015. However, we received no response from any of the Company's preferential creditors to this resolution. As a result the above resolution remains outstanding and a further approval request is being made to the Company's preferential creditors as part of this report

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

### **5.4 Future reporting**

We will provide a further progress report within one month of 7 November 2015 or earlier if the administration has been completed prior to that time



## Appendix 1 Statutory information

Company 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 information	
Administration appointment	The administration appointment granted in the High Court of Justice, Chancery Division, Leeds District Registry, 717 of 2014
Appointor	Directors
Date of appointment	3 July 2014
Joint Administrators' details	Howard Smith 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

Bluebird Vehicles Limited - in Administration			
Joint Administrators' abstract of receipts & payments			
Statement of affairs (£)		From 03/01/2015 To 08/05/2015 (£)	From 03/07/2014 To 08/05/2015 (£)
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, net of tax	11 65	28 37
		11 65	15,824 91
FIXED CHARGE CREDITORS			
(503,799 00)	Shawbrook Bank 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	NIL	5,901 42
62,799 00	Plant & machinery	9,500 00	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
	Cash at bank	NIL	2,749 48
	Petty Cash	NIL	172 86
		9,500 00	258,322 76
OTHER REALISATIONS			
	Bank interest, net of tax	150 22	454 06
	Sundry refunds	299 05	380 21
		449 27	834 27
COST OF REALISATIONS			
	Agents' fees	(1,500 00)	(7,500 00)



**Bluebird Vehicles Limited - in Administration**
**Joint Administrators' abstract of receipts & payments**

Statement of affairs (£)		From 03/01/2015 To 08/05/2015 (£)	From 03/07/2014 To 08/05/2015 (£)
	Agents' disbursements	NIL	(749 14)
	Legal fees	NIL	(10,000 00)
	Legal disbursements	NIL	(50 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	(1,505 82)	(2,323 34)
	Re-direction of mail	NIL	(195 00)
	Statutory advertising	NIL	(84 60)
	Rent	NIL	(14,080 91)
	Rates	(4,188 78)	(4,188 78)
	Insurance - Landlord	NIL	(285 57)
	Insurance of assets	NIL	(702 23)
	Transportation costs	NIL	(630 00)
	Bank charges	NIL	(60 00)
	Wages	NIL	(2,496 54)
		(7,194 60)	(51,194 25)
	<b>PREFERENTIAL CREDITORS</b>		
(5,191 16)	Employees	NIL	NIL
(22,284 90)	RPO	NIL	NIL
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(350,000 00)	Finance Yorkshire Limited	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(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
	<b>DISTRIBUTIONS</b>		
(573,617 00)	Preference shareholders	NIL	NIL
(575,917 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(2,534,387 63)</b>		<b>2,766.32</b>	<b>223,787 69</b>



**Bluebird Vehicles Limited - in Administration****Joint Administrators' abstract of receipts & payments**

Statement of affairs (£)	From 03/01/2015	From 03/07/2014
	To 08/05/2015 (£)	To 08/05/2015 (£)
REPRESENTED BY		
Floating ch VAT rec'able		8,378 32
Fixed charge current		15,824 91
Floating charge current	-	207,848 12
Floating ch VAT payable		(53,080 28)
Floating ch VAT control		44,816 62
	<b>2,766 32</b>	<b>223,787 69</b>



## Appendix 3 Schedule of expenses

### Schedule of expenses (03/01/2015 to 08/05/2015)

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Legal fees	NIL	16,498 95	<b>16,498 95</b>
Legal disbursements	NIL	225 00	<b>225 00</b>
<b>TOTAL</b>	<b>NIL</b>	<b>16,723 95</b>	<b>16,723 95</b>

### 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/publications/professional/Guide\\_to\\_Administrators\\_Fees\\_Nov2011.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.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 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.

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 8 May 2015

<b>SIP 9 - Disbursements</b>					
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
<b>Total</b>	<b>NIL</b>	<b>823 37</b>	<b>NIL</b>	<b>1,527 80</b>	<b>2,351 17</b>

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

Narrative of work carried out for the period 3 July 2014 to 8 May 2015

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> <li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences,</li> <li>■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment,</li> <li>■ preparing statutory receipts and payments accounts,</li> <li>■ arranging bonding and complying with statutory requirements,</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales</li> </ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams,</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls,</li> <li>■ reviewing and authorising junior staff correspondence and other work,</li> <li>■ dealing with queries arising during the appointment,</li> <li>■ reviewing matters affecting the outcome of the administration,</li> </ul>



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

	<ul style="list-style-type: none"> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office,</li> <li>■ managing claims from employees,</li> <li>■ ensuring security of assets held by employees</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ collating information and reviewing the Company's pension schemes,</li> <li>■ calculating employee pension contributions and review of pre-appointment unpaid contributions,</li> <li>■ ensuring compliance with our duties to issue statutory notices,</li> <li>■ 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,</li> <li>■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ drafting and circulating our proposals,</li> <li>■ creating and updating the list of unsecured creditors,</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims,</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records,</li> <li>■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits,</li> <li>■ drafting our progress report</li> </ul>
Investigations/ directors	<ul style="list-style-type: none"> <li>■ reviewing Company and directorship searches and advising the directors of the effect of the administration,</li> <li>■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies,</li> <li>■ arranging for the redirection of the Company's mail,</li> <li>■ reviewing the questionnaires submitted by the Directors of the Company,</li> <li>■ reviewing pre-appointment transactions,</li> <li>■ drafting the statutory report and submitting to the relevant authority</li> </ul>

## SIP 9 - Time costs analysis

### SIP 9 - Time costs analysis (03/01/2015 to 08/05/2015)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
<b>Administration &amp; planning</b>							
Cashiering							
General (Cashiering)	0 40	0 80	1 10		<b>2 30</b>	910 00	395 65
Reconciliations (& IPS accounting reviews)		1 00	1 70		<b>2 70</b>	923 50	342 04
General							
Fees and WIP			7 50	-	<b>7 50</b>	2,100 00	280 00
Statutory and compliance							
Checklist & reviews		3 00	23 60		<b>26 60</b>	6,706 00	252 11
Closure and related formalities	0 50				<b>0 50</b>	297 50	595 00
Reports to debenture holders	1 30	3 80			<b>5 10</b>	2,538 50	497 75
Statutory receipts and payments accounts			1 60		<b>1 60</b>	448 00	280 00
Strategy documents	1 60	1 10	1 00		<b>3 70</b>	1,669 50	451 22
Tax							
Post appointment corporation tax	0 50	2 00	0 50		<b>3 00</b>	1,217 50	405 83
Post appointment VAT		0 50	11 00		<b>11 50</b>	2,495 00	216 96
<b>Creditors</b>							
Creditors and claims							
Agreement of preferential claims			1 50		<b>1 50</b>	420 00	280 00
General correspondence		7 30	26 90		<b>34 20</b>	9,735 50	284 66
Legal claims	1 00		4 00		<b>5 00</b>	1,655 00	331 00
ROT Claims			14 30		<b>14 30</b>	2,931 50	205 00
Secured creditors		7 10	4 00		<b>11 10</b>	4,563 50	411 13
Statutory reports	3 40	9 20	89 40	1 50	<b>103 50</b>	26,535 00	256 38
Employees							
Agreeing employee claims			3 20		<b>3 20</b>	896 00	280 00
Correspondence			6 40		<b>6 40</b>	1,769 50	276 48
Pension funds			0 95		<b>0 95</b>	194 75	205 00
Pensions reviews			18 20		<b>18 20</b>	3,731 00	205 00
<b>Investigation</b>							
Directors							
Correspondence with		0 30			<b>0 30</b>	145 50	485 00



**SIP 9 - Time costs analysis (03/01/2015 to 08/05/2015)**

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
directors							
D form drafting and submission			0 50		<b>0 50</b>	140 00	280 00
Directors' questionnaire / checklist			2 00		<b>2 00</b>	560 00	280 00
Investigations							
Review of pre-appt transactions		0 30			<b>0 30</b>	145 50	485 00
<b>Realisation of assets</b>							
Asset Realisation							
Cash and investments			2 80		<b>2 80</b>	724 00	258 57
Debtors		19 00	39 75		<b>58 75</b>	20,176 25	343 43
Vehicles			0 30		<b>0 30</b>	61 50	205 00
<b>Total in period</b>	<b>8 70</b>	<b>55 40</b>	<b>262 20</b>	<b>1 50</b>	<b>327 80</b>	<b>93,690 00</b>	<b>285 81</b>

Brought forward time (appointment date to SIP 9 period start date)	851 50	241,455 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	327 80	93,690 00
Carry forward time (appointment date to SIP 9 period end date)	1,179 30	335,145 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.



## Appendix 5      Glossary

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

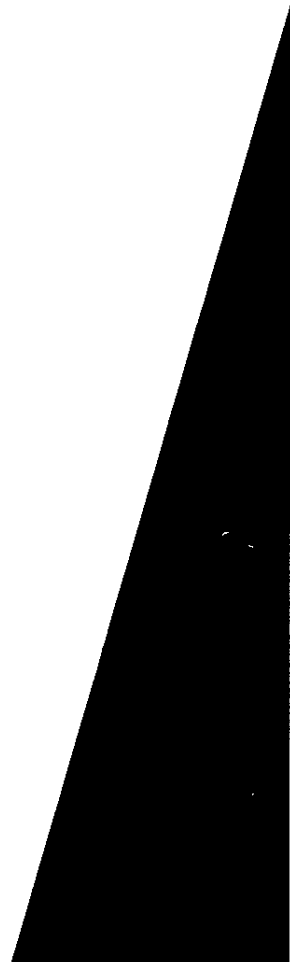
Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

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

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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